CORINTH
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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022
CITY OF CORINTH, TEXAS

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CITY OF CORINTH, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2022

Scott Campbell
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Dawn Taylor
Controller

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CITY OF CORINTH, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

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3300 Corinth Parkway · Corinth, TX · 940.498.3200

March 16, 2023

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Annual Comprehensive Financial Report of the City of Corinth for the fiscal year ended September 30, 2022. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Annual Comprehensive Financial Report (ACFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The ACFR is organized into three sections: *Introductory, Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated on September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and EMS), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

Moving forward, the City seeks to reduce its dependence on property tax revenues and increase the amount of sales and use tax revenues generated --- in a prudent manner --- by encouraging lifestyle-focused development that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce and result in sustainable outcomes.

As Corinth continues to pioneer a new trail and secure its vision for the future, its values will remain rooted in its family-oriented traditions, and its commitment will also remain anchored by achieving the highest quality of life possible for all its citizens.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas. The city's estimated population is 22,800. This estimate is based on the official 2020 Census population.

Corinth is competitively positioned to attract investment well into the future. Augmented by its high-performing schools, outstanding recreation facilities, open spaces, and remarkable demographics, Corinth is competitively positioned to attract investment well into the future. In July 2022, the City broke ground on the Commons at Agora, on Corinth Parkway, just east of I35E. The multi-purpose public park and iconic community gathering

place will be the catalyst for millions of dollars of private investment within a new city center known as "Agora at Corinth." Renowned real estate developers, Realty Capital Management and Wolverine Interests, have partnered with the City to introduce nearby lifestyle-oriented developments to the Corinth market. Realty Capital Management is anticipated to break ground on the Parkway District, a mixed-use community that will transform the vacant southwest corner of I-35E and Corinth Parkway in 2023. The master plan calls for the construction of up to 352 residential units, 24,500 square feet of retail and restaurant spaces, a dual brand, 80-room hotel, and a linear parkway of formal open space that will become an icon for the development and the Corinth community. Also beginning in 2023, Wolverine Interests will anchor the north side of the park with 305 residential units and 34,000 square feet of shops and restaurants. The mixed-use project will feature the City's first multi-level parking garage serving the development's residents, shoppers, diners, and the public. Elsewhere in the City, other residential developers are investing in Corinth with 663 single family lots and 108 townhome lots either completed and ready for new homes, under construction, or in the design stage. Other developers are also noticing the vast promise and potential of the Corinth market. Skorburg Company started construction on a single-family residential community to the northeast of Agora; and Meritage Homes is on pace to deliver up to 455 single-family residential units in the forthcoming Ashford Park at the completion of construction.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 14.49% for the 2022 tax year over the 2021 certified value.

Sales Tax Revenue, is the second largest revenue source for the City's General Fund. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Crime Control & Prevention District, .50% to the Economic Development Corporation, and .25% to the Fire Control, Prevention and Emergency Services District.

MAJOR INITIATIVES

The City's Strategic Plan, Envision Corinth 2030, is an all-encompassing systematic approach that permits the current and future Councils' ability to best allocate resources entrusted by the residents. The plan is set to guide the City in determining where to focus the efforts of the City and form the basis of the annual budgeting process. It provides for investments in economic development, mobility, the transit-oriented development (TOD) district, infrastructure, quality development, regional cooperation, broadband, and employees, and recognizes that partnerships are essential to excellent service delivery. Additionally, the plan provides the ability to prioritize the actions that have to be taken in order to meet the overall goals that the City needs to fulfill in order to generate the results that the residents of Corinth expect and deserve.

ATTRACTING QUALITY DEVELOPMENT

Strategic Goal: Enhance the quality of life for residents by attracting new residents and businesses to Corinth.

Planning: Staff performs a variety of services intended to protect, maintain, and develop an attractive, safe, and healthy environment. We will continue to recommend strategic amendments and improvements to the City's Unified Development Code to be more reflective of today's market conditions and our desire for quality, sustainable development. With development pressure continuing to increase on the City's remaining, vacant tracts of land, staff will be facilitating multiple zoning and platting applications for mixed-use developments for action by the Planning and Zoning Commission and the City Council. The Department will continue to emphasize customer service to facilitate the timely review and approval of projects and improve communications with our customers, including more user-friendly information on the Department's web page.

Economic Development: Encouraging development along the I-35E Corridor is one of the key goals for FY 22/23, including Realty Capital, Wolverine Interests, mixed-use developments, and the Commons at Agora. Coordinated planning efforts with developers and property owners will continue for the development and

expansion of vacant/under-utilized properties within the City of Corinth. Other initiatives include administering and managing TIRZ 2 and 3, building upon the Business Retention and Expansion function, and marketing the Agora at Corinth. The following programs are included in the budget.

HEALTH & SAFETY

Strategic Goal: Being safe in our home and in our community to enjoy a sustainable environment, a healthy lifestyle, and cost-effective improvements to streets and critical infrastructure.

Public Safety: The City is fortunate to have two progressive public safety organizations that provide outstanding fire, rescue, and emergency medical services and police services to our community. The primary focus for both organizations is the retention and recruitment of staffing and mental health resiliency. Police and Fire personnel function in an atmosphere of increased mental and emotional stress not only through critical incidents but also through cumulative stress from daily on-duty experiences. Experience-proven training in personal stress reduction has shown to improve the mental and emotional health of first responders. The budget establishes an officer wellness program to improve overall health and enable them to perform their jobs in a safer and more effective manner.

Utility System Operations: It is anticipated that the utility system will expand by 1,000 connections each year for the next five years. Due to this, future facility needs to maintain the integrity of the system, and the ability to serve growth demands, the budget includes funding for a utility rate study. Other Utility initiatives include:

- Advanced Metering Infrastructure (AMI): AMI is an integrated system of water meters, communication networks and data management systems that enable two-way communication between meter endpoints and utilities. During FY22, the Council authorized the transition of the city's metering system to the Badger AMI, which included the purchase of transponders to replace the existing system. Due to supply chain issues, the equipment delivery will be in October 2022. The budget includes funding to acquire a turnkey contractor service to perform the mass register retrofit to ensure the project is completed in timely manner. The project is expected to be completed by June 2023.

- Impact Fee Study: The purpose of impact fees is to require a land developer or builder to pay a proportional share of the City's cost of providing off-site infrastructure to serve the developing property because of the impact of the growth. As the City plans for unprecedented growth, it is important to review the fees to ensure they are set appropriately. With the assistance of an engineering consulting firm, staff is currently reviewing the fees and expects completion towards the end of the calendar year.

- ***Capital Improvement Projects:*** The Capital Improvement Program addresses the issues of aging and new infrastructure for the General, Water/Wastewater, Streets and Storm Drainage Funds. The capital program is funded primarily through the issuance of debt. The goal of the City is to limit or eliminate the issuance of debt by funding the capital expenditures with current revenues and the use of fund balance. By doing so, the overall costs of projects will be reduced. The following are active projects in the capital plan.

Parks	Transportation/Streets	Stormwater
✓The Commons at Agora ✓Dog Park ✓Community Park ✓Fairview Park	✓ Agora At Corinth Streets ✓ NCTC Way ✓ Walton Drive	✓ Lynchburg Creek Drainage ✓ Blake Street Drainage ✓ Shady Shores Drainage

FUGRO Road Maintenance: In 2021, the city completed the Fugro Street Assessment Report. The report provided detailed information on various project activities including pavement distress, network level pavement condition, treatment cost, current street maintenance backlog, and budget analysis. The report also provided a ten-year maintenance and rehabilitation treatment work plan. The budget includes funding from the Street Maintenance Sales Tax Fund to complete year one of the planned street maintenance.

ORGANIZATIONAL DEVELOPMENT

Strategic goal: Focus is on improving the organization's capability through the alignment of strategy, structure, people, and management process.

Organizational Succession: Succession planning allows for identifying critical positions within the organization and develops action plans for individuals to assume those positions. This helps ensure business continuity and performance, particularly during times of shifting leadership and change. The budget begins transitioning the organization to implement succession planning to ensure continuity, identify critical positions, understand the organization's competency levels, recognize the potential and workforce development, and begin evaluating the workforce and departmental needs.

Employee Retention and Recruitment: The City has outstanding employees. The goal of the organization is to reduce turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, providing competitive pay and benefits and a healthy work-life balance. Work will continue with supervisory training, staff development, and alignment of the values and organizational culture with an integrative and developmental focus with an emphasis to improve internal communication and coordination.

PROACTIVE GOVERNMENT

Strategic Goal: Providing a city government that works effectively and collaboratively - that is equitable, transparent, ethical, and innovative.

Asset Management Plan (AMP): The AMP was developed to support the City's vision for its asset management practice and programs. It provides key asset attribute data, including current composition of the City's infrastructure portfolio, inventory, replacement costs, and useful life, summarizes the physical health of the capital assets, enumerates the City's current capital spending framework, and outlines financial strategies to achieve fiscal sustainability in the long-term while reducing and eventually eliminating funding gaps. The City identified over $700 million invested in public assets – streets, utility lines, buildings, and equipment. Many of these assets were built in the 1980's and 90's with a life cycle of 40 to 50 years.

The City Council, by ordinance, adopted an asset management reserve fund to be funded through prior year surplus monies. The AMP forecasts a need of $6 million per year. At a minimum, the American Water Works Association guideline is to invest a minimum of an amount equal to the annual depreciation on the assets. Although this is a goal for the City, due to funding constraints the city evaluates funding levels each year.

Rate Stabilization Fund: The City also maintains a utility stabilization fund to provide a prudent contingency to absorb fluctuations in revenues and to stabilize water and wastewater rates. This is to be funded through prior year surplus of revenues over expenditures. Funding of the rate stabilization fund is included in the budget at $150,000 from water/wastewater.

Information Technology: The Technology Services department strives to enhance the vitality and quality of life by empowering the employees, residents, visitors, and businesses through sustainable, reliable, efficient, and effective technology services, infrastructure, and smarter government. A Technology Steering Committee comprised of City staff was created this year with the oversight role to ensure that management aligns the technology investment with the goals and objectives of the organization. The Committee routinely reviews projects and determines the best utilization of city resources to be invested in technology across the city departments. The following priorities were identified:

- Cybersecurity: Cybersecurity is a persistent and evolving threat to organizations of all sizes and all industries. Private companies and governing bodies across the country are increasing focus and emphasis on preventing and mitigating cyber threats. Staff continues to conduct the required training and far exceeds the state requirements. Additionally, staff continually monitors and tests the system to strengthen the city network. The budget includes moving to the Microsoft 365 (M365) licensing model, which provides additional packages that facilitate management of remote devices, and a more robust security suite to assist in securing email and online files stored on Microsoft servers. With Microsoft's Advanced Threat Protection (ATP) offered under M365, the city would have access to advanced security features which would better allow it to secure

and filter potentially unsafe email and file attachments, and safeguard against exfiltration of data from the Microsoft services.

REGIONAL COOPERATION

Strategic Goal: Reduce service costs for the residents through cost sharing for projects with common benefits with cities in the region.

Lake Cities: Continue to participate in Lake Cities (Corinth, Hickory Creek, Lake Dallas, Shady Shores) joint meetings and expand service delivery opportunities. Using American Rescue Plan (ARP) funding the Lake Cities designed a multi-jurisdictional fiber optic network to improve government network infrastructure. The cities are in negotiations with Pavlov Media, a private ISP to also develop a middle- and last-mile network offering residential services with speeds of 1 gig to every home in the Lake Cities. Pavlov Media is anticipated to complete the project within three years. The budget includes maintenance in the Broadband Utility Fund and will use ARP Grant funding to fund a construction inspector to assist in the construction of the fiber ring.

Intergovernmental Relations: It is important to establish and maintain Intergovernmental relations with the following communities and/or organizations: Town of Hickory Creek, City of Lake Dallas, Town of Shady Shores, City of Denton, City of Lewisville, Denton County, Denton County Transportation Authority (DCTA), Denton ISD, Lake Dallas ISD, North Central Texas College, Lake Cities Municipal Utility Authority, Upper Trinity Regional Water District, and Texas Department of Transportation.

LONG TERM FINANCIAL PLAN

The FY 2021-22 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General Fund long-term plan assumes that for fiscal years 2022-2023 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In October 2022, Standard & Poor's Rating Services affirmed its "AA" rating and Moody's affirmed its "AA2 on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (i.e., Public Works) and division (i.e., Parks & Recreation). Department Directors may make transfers of appropriations

between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield) and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 229 days. On September 30, 2022, the annualized yield on investments was 1.184%, compared to 0.246% for the same period in 2021. Funds available for investment at September 30, 2022 were $55.5 million.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the thirteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2021. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,

Scott Campbell
City Manager

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

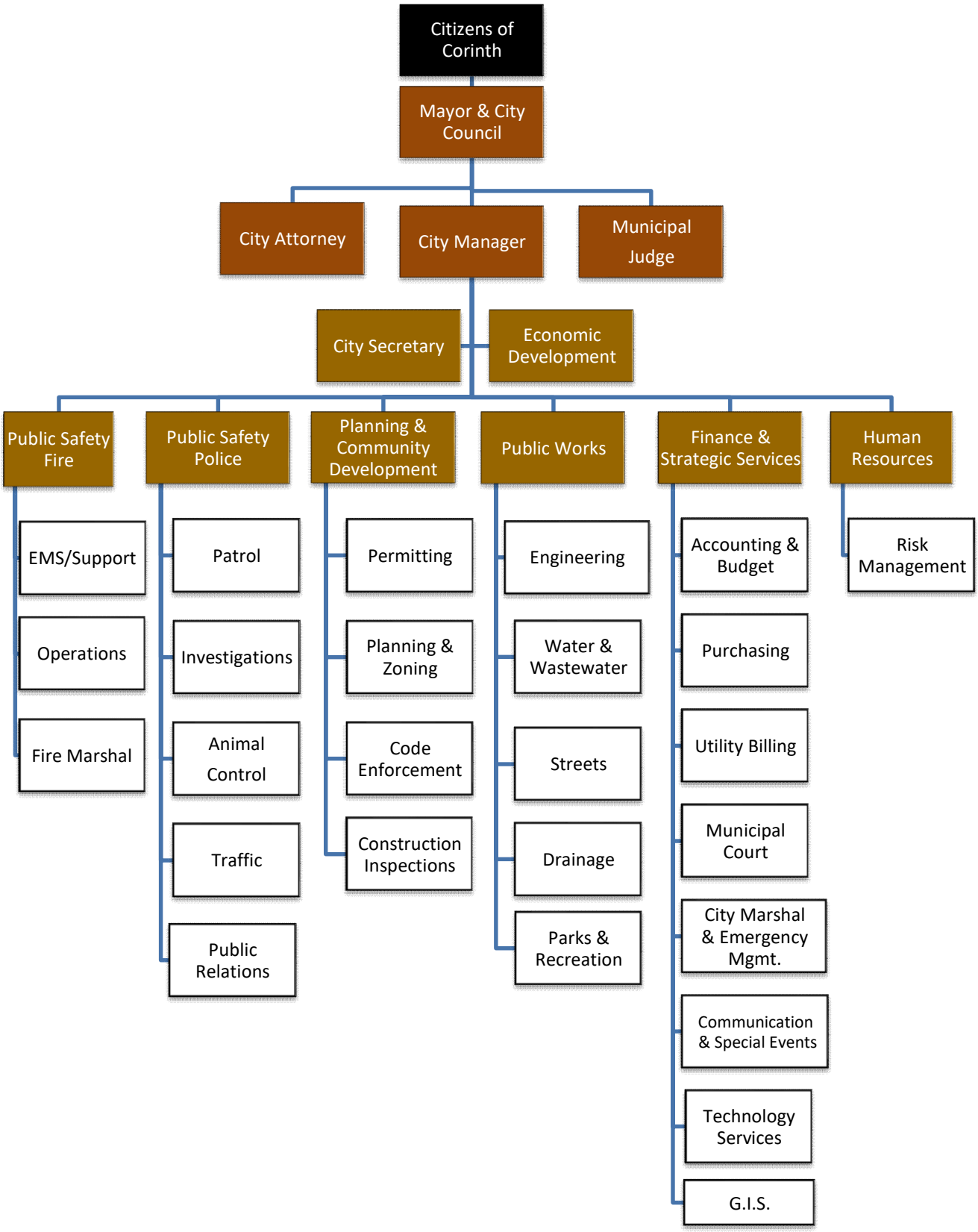
City of Corinth
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Executive Director/CEO

ORGANIZATIONAL CHART



City of Corinth, Texas
Elected and Appointed Officials

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Steve Holzwarth
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Scott Campbell, City Manager

Lana Wylie, City Secretary

Elise Back, Director of Economic Development

Jerry Garner, Chief of Police

Lee Ann Bunselmeyer, Director of Finance, Communication and Strategic Services

Glenn Barker, Director of Public Works, Parks and Recreation, and Utility Operations

John Webb, Director of Planning and Development

Chad Thiessen, Fire Chief

Guadalupe Ruiz, Director of Human Resources

FINANCIAL SECTION

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 3 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended September 30, 2022. Accordingly, a restatement has been made to right to use leased assets and related lease liability of the governmental activities, business-type activities and the water and sewer fund as of October 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Ede Bailly LLP

Abilene, Texas
March 8, 2023

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As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City 's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $79,590,255.
- Total net position increased $6,805,063 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $39,598,557, an increase of $20,574 compared to the prior year. Of the combined ending balances, $5,163,572 or 13% is available for spending within the City's guidelines *(unassigned fund balance).*
- The City's unassigned fund balance for the general fund was $5,163,572 or 26% of total general fund expenditures.
- Long-term liabilities increased to $69,549,533 during fiscal year 2022. The increase is due primarily to the issuance of bonds and notes payable.

Management's discussion and analysis is intended to serve as an introduction to the City of Corinth's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.
The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City reporting operations in more detail than the government-wide statement*s.*
- *The governmental funds* statements tell how *general governmental* services were financed in the *short term,* as well as, what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government that operate *like* a *business*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

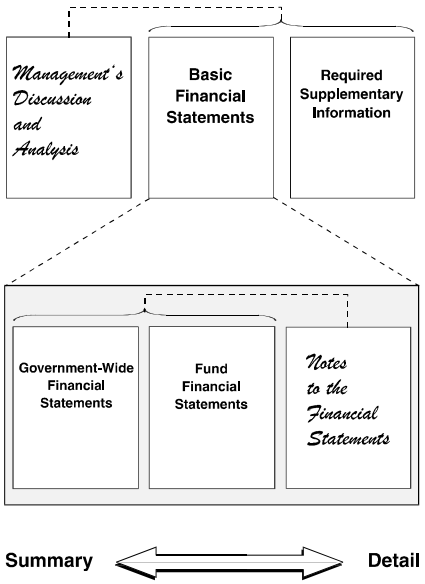


Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Corinth is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the *primary government),* but also legally separate units - Economic Development Corporation and Economic Development Corporation Foundation - as component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 26 of this report.

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses or self insurance funds	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balance	• Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Corinth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources,* as well as, *on balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City of Corinth reports thirty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, 2019 CO Fund, 2020 CO Fund, 2021 CO Fund and COVID CARES Act Fund, which are major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City of Corinth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-37 of this report.

Proprietary funds. The City of Corinth maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Water Fund, both of which are major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 44 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $79,590,255 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position ($59,122,199 or 74%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position ($5,831,690 or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($14,636,366 or 19%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has $60,798,932 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by $20,574. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the $3,332,484 net increase to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

- Capital outlays are shown as expenditures in the fund financials statements, but they are shown as increases in capital assets in government-wide statements.
- Repayments of principal on bonds, leases, and notes are an expenditure in the governmental funds but not an expense in the statement of activities.
- Bond proceeds and bond transfers are reported as current resources in the funds but are not reported as revenue in the statement of activities.
- Depreciation of capital assets is not reported in the funds.
- Donations/developer contributions do not constitute revenue in the funds but are reported as an increase to the net position.

Exhibit A-6 on page 37 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures, and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 75% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 25% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced $14,683,023 or 48%, charges for services accounted for $6,749,791 or 22%, sales tax received was $3,091,696 or 10%, franchise taxes provided $1,283,833 or 4%, capital grants and contributions provided $3,426,005 or 11% and operating grants and contributions provided $802,798 or 3% for the governmental activities. The remaining 2% of revenue is made up of hotel occupancy tax, vehicle tax, investment interest, gain on sale of capital assets, and other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

Figure 2: Program Revenues v. Expenses

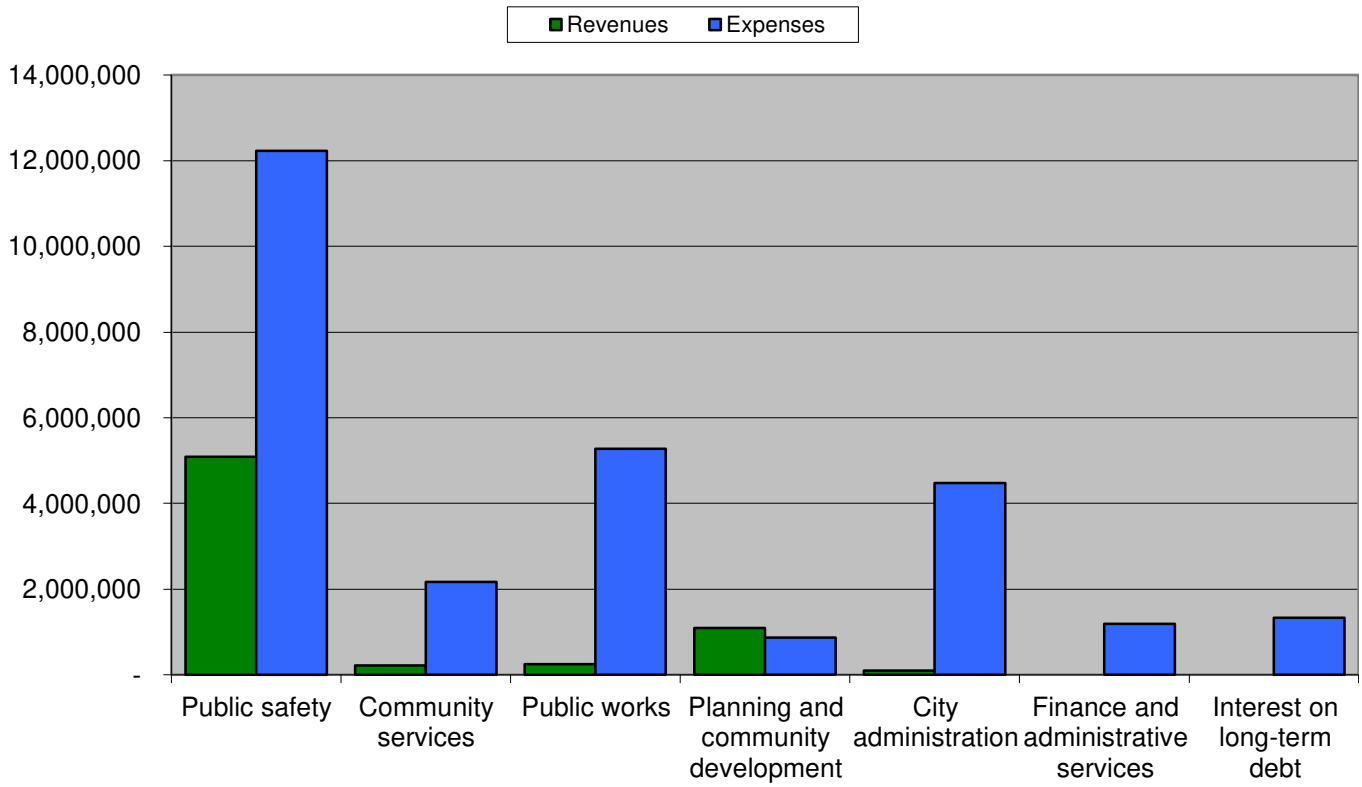


TABLE I

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and Other Assets	$ 49,347,297	$ 47,097,597	$ 18,099,534	$ 16,739,291	$ 67,446,831	$ 63,836,888
Capital assets	65,294,097	59,333,715	30,434,457	29,394,676	95,728,554	88,728,391
Total assets	114,641,394	106,431,312	48,533,991	46,133,967	163,175,385	152,565,279
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss from refunding	-	-	32,024	40,030	32,024	40,030
Deferred outflows - pension	1,425,234	1,263,684	224,144	201,046	1,649,378	1,464,730
Deferred outflows - OPEB	122,962	134,498	17,750	19,367	140,712	153,865
Total Deferred Outflows of Resources	1,548,196	1,398,182	273,918	260,443	1,822,114	1,658,625
LIABILITIES						
Long-term liabilities outstanding	56,027,242	55,011,298	10,304,113	11,780,494	66,331,355	66,791,792
Other liabilities	12,735,830	10,181,960	3,045,309	2,818,118	15,781,139	13,000,078
Total liabilities	68,763,072	65,193,258	13,349,422	14,598,612	82,112,494	79,791,870
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	4,999	6,248	-	-	4,999	6,248
Deferred inflows - lease related	112,955	-	-	-	112,955	-
Deferred inflows - pension	2,738,699	1,386,692	379,061	188,122	3,117,760	1,574,814
Deferred inflows - OPEB	51,283	57,198	7,753	8,582	59,036	65,780
Total Deferred Inflows of Resources	2,907,936	1,450,138	386,814	196,704	3,294,750	1,646,842
NET POSITION						
Net investment in capital assets	35,071,832	33,285,776	24,050,367	23,198,149	59,122,199	56,483,925
Restricted	4,052,217	4,223,592	1,779,473	1,183,413	5,831,690	5,407,005
Unrestricted	5,394,533	3,676,730	9,241,833	7,217,532	14,636,366	10,894,262
Total Net Position	$ 44,518,582	$ 41,186,098	$ 35,071,673	$ 31,599,094	$ 79,590,255	$ 72,785,192

Governmental activities. As shown below, governmental activities increased net position by $3,332,484 and business-type activities increased net position by $3,472,579. A detailed examination of all the elements affecting net position can be found in Table II.

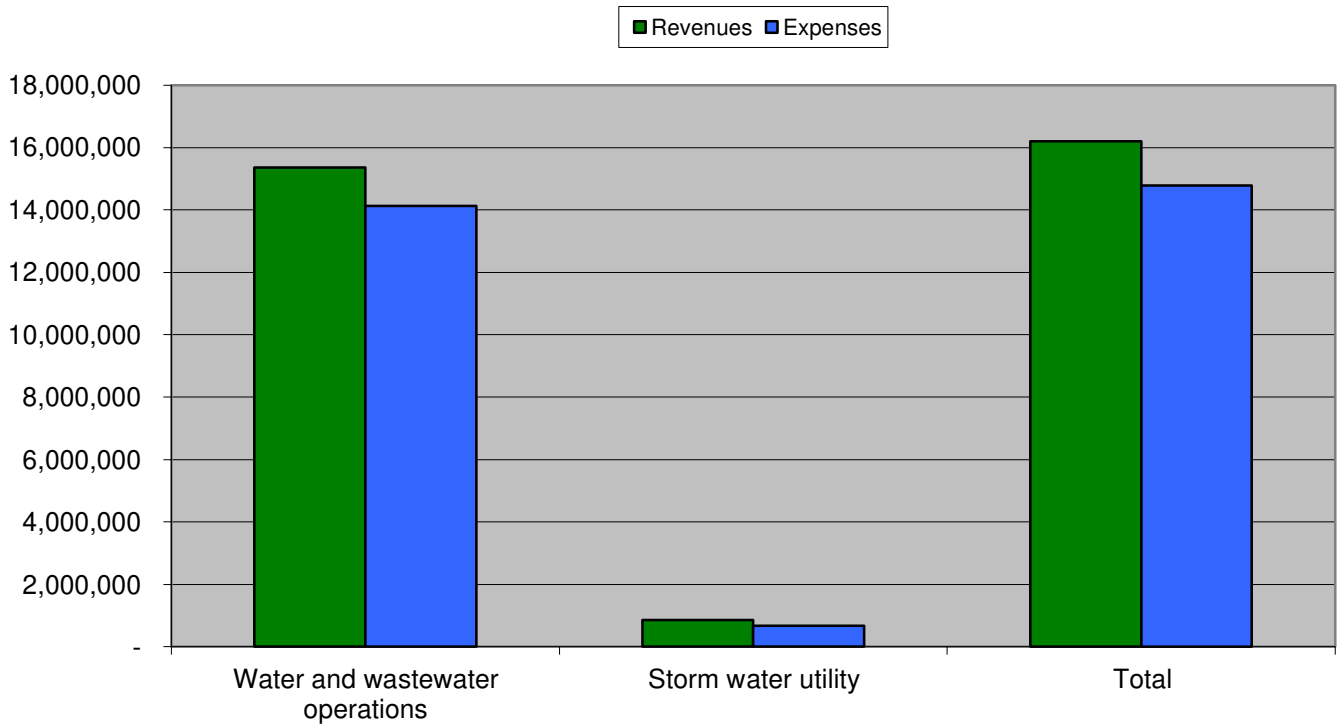
TABLE II

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	$ 6,749,791	$ 5,266,853	$16,206,923	$14,751,178	$22,956,714	$20,018,031
Operating grants and contributions	802,798	713,760	10,187	50,935	812,985	764,695
Capital grants and contributions	3,426,005	1,437,849	2,565,707	975,552	5,991,712	2,413,401
General revenues						
Property taxes	14,683,023	14,134,421	-	-	14,683,023	14,134,421
Sales taxes	3,091,696	2,743,610	-	-	3,091,696	2,743,610
Franchise taxes	1,283,833	1,048,013	-	-	1,283,833	1,048,013
Hotel taxes	109,825	77,878	-	-	109,825	77,878
Vehicle taxes	42,361	577	-	-	42,361	577
Miscellaneous	98,336	23,831	23,058	3,038	121,394	26,869
Investment interest	(53,482)	104,170	70,074	44,066	16,592	148,236
Gain on sale of capital assets	40,314	199,726		94,115	40,314	293,841
Total Revenues	30,274,500	25,750,688	18,875,949	15,918,884	49,150,449	41,669,572
Expenses:						
Public safety	12,229,945	12,059,685	-	-	12,229,945	12,059,685
Community services	2,172,726	2,062,111	-	-	2,172,726	2,062,111
Public works	5,273,963	4,076,489	-	-	5,273,963	4,076,489
Planning and community development	864,967	1,041,345	-	-	864,967	1,041,345
City administration	4,482,255	5,612,646	-	-	4,482,255	5,612,646
Finance and administrative services	1,192,590	987,844	-	-	1,192,590	987,844
Interest on long-term debt	1,338,507	1,886,621	-	-	1,338,507	1,886,621
Water and wastewater		-	14,129,665	13,184,689	14,129,665	13,184,689
Storm drainage	-	-	660,768	665,081	660,768	665,081
Total Expenses	27,554,953	27,726,741	14,790,433	13,849,770	42,345,386	41,576,511
Increase (decrease) in net position before transfers, contributions and special items	2,719,547	(1,976,053)	4,085,516	2,069,114	6,805,063	93,061
Net transfers	612,937	776,330	(612,937)	(776,330)	-	-
Increase (decrease) in net position	3,332,484	(1,199,723)	3,472,579	1,292,784	6,805,063	93,061
Net postion - beginning	41,186,098	42,385,821	31,599,094	30,306,310	72,785,192	72,692,131
Net position - ending	$44,518,582	$41,186,098	$35,071,673	$31,599,094	$79,590,255	$72,785,192

Business-type Activities. Business-type activities increased the City's net position by $3,472,579. Developer contributions of $1,739,705 and impact fees of $826,002 contributed to the increase. Charges for services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing $15,360,377 and $846,546, respectively, in revenue. Charges for services account for 86% of the program revenue. Contributions of assets arising from new property development within the City and capital and operating grants, totaled $2,575,894 or 14% in revenue. Less than 1% of total business-type activities revenue is made up of investment interest and miscellaneous revenue.

Total revenue from water and wastewater sales and services was $15,360,377; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for $14,129,665 of the total business-type expenses of $14,790,433. The remaining $660,768 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in $846,546 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $39,598,557, an increase of $20,574 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net increase in the General Fund balance of $823,204, a net increase in the Debt Service Fund of $71,680, a net decrease of $3,288,314 in the 2019 CO Fund due to increased capital project activity, a net decrease of $306,929 in the 2020 CO Fund, a net decrease of $240,832 in the 2021 CO Fund, no change in the COVID CARES Act Fund, and a net increase of $2,961,765 in other governmental funds due to issuance of bonds.

Of the combined total governmental fund balances of $39,598,557, $5,163,572 reflects the General Fund *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts of $617,849, $8,092,689, and $22,353,693, respectively. The fund balance that is designated as *committed,* $3,338,827 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, $16,093, and inventories, $15,834.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was $5,163,572 while total fund balance reached $5,181,299. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total

fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 26.5% of total General Fund expenditures, while total fund balance represents 26.6% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of $976,104. Property taxes, traffic fines and forfeitures, police fees and permits, interest income, and charges for services were less than budget by $71,472, $103,806, $79,805, $10,274 and $34,476, respectively. Sales tax, franchise fees, utility fees, development fees and permits, parks and recreation fees, fire services, grants, and miscellaneous income were above budget by $264,914, $103,894, $166,809, $375,209, $4,282, $340,780, $6,915, and $13,134, respectively. While revenues were over budget by $976,104, expenditures were under budget by $91,818. The net effect at year end was an increase of $823,204 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of $617,849, all of which is restricted for the payment of debt service.

2019 CO Fund. This fund is used to track revenues and expenditures related to the 2019 CO Debt Issuance. Funds will be used for acquiring and improving Quail Run realignment, Park Ridge, Elevated Storage Tank, and the Lake Sharon Road Extension.

2020 CO Fund. This fund is used to track revenues and expenditures related to the 2020 CO Debt Issuance. Funds will be used for acquiring NCTC Street, Lake Sharon Extension, Commons ROW and Drainage, Lynchburg Creek Flood Mitigation, TANKO Street Lights and Walton Street.

2021 CO Fund. This fund is used to track revenues and expenditures related to the 2021 CO Debt Issuance. Funds will be used for acquiring and improving North Corinth, Main, Agora and NCTC Streets.

COVID CARES Act Fund. This fund is used to track revenues and expenditures related to the funding signed into law on March 11, 2021, designed to speed up the recovery from the pandemic and ongoing recession. These grant funds have been earmarked for equipment and infrastructure investments within the city.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Fire District Sales Tax Fund, Broadband Utility Fund, Reinvestment Zone #2, Short-term Rental Vehicle Tax Fund, Street Rehabilitation Fund, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2016 CO Fund, 2017 CO Fund, 2021A CO Fund, LCFD Public Property Fund, and General Public Property (Special Revenue) Fund. Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of $.0025 levied for crime control and prevention within the City. Sales tax collections were $73,129 more than budgeted, interest earnings were more than budgeted by $2,406, grants were more than budgeted by $5,000 and expenditures were $4,480 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased $27,608.

- The Fire District Sales Tax fund accounts for the collection of a special sales tax of $.0025. Sales tax collections were more than budgeted by $4,182, interest earnings were more than budgeted by $130 and expenditures were less than budgeted by $110,217. These combined increased actual fund balance by $108,968.

Proprietary funds. The City of Corinth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of $42,645,013 and deferred outflows of resources of $242,238 exceeded liabilities of $12,503,468 and deferred inflows of resources of $353,855, reporting net position of $30,029,928. The net non-operating revenues and expenses were ($228,034) which included investment interest, debt service interest, and

miscellaneous income, as well as the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was $315,818 of interest expense. Unrestricted net position for the Water and Wastewater fund increased from $6,470,185 in fiscal year 2021 to $8,291,918 for fiscal year 2022.

Storm Water utility fund assets of $5,888,978 and deferred outflows of $31,680 exceeded liabilities of $845,954 and deferred inflows of resources of $32,959, leaving total net position of $5,041,745. Total net position increased $751,924 and unrestricted net position increased from $747,347 to $949,915. The storm water utility reported operating income of $206,882 in fiscal year 2022. Net non-operating revenues and expenses were ($15,756) which includes $5,348 in interest income and $21,104 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2021-2022, General Fund actual expenditures (including transfers) were $20,880,648 compared to the final budget of $21,641,175. The positive $91,818 expenditure variance was due to reduced costs of $200,244 in Public Safety, $198,100 in Planning and Community Development, $120,691 in Community Services, $15,253 in Finance and Administrative Services, and $74,671 in Public Works, and increased costs of $517,141 in City Administration. Actual revenue (including transfers) was $21,703,852 compared to the final budget of $20,693,274. The $976,104 positive revenue variance was due to increased revenue of $264,914 for sales tax, $103,894 for franchise fees, $166,809 for utility fees, $375,209 for development fees and permits, $4,282 for parks and recreation fees, $340,780 for fire services, $6,915 for grants, and $13,134 for miscellaneous income, along with decreased revenue of $71,472 for property taxes, $103,806 for traffic fines and forfeitures, $79,805 for police fees and permits, $10,274 in interest income, and $34,476 in charges for services. Also, for fiscal year 2021-2022, the General Fund final budget for transfers out of $2,056,290 exceeded the original budget of $1,169,235 by $887,055. The variance was due to anticipated increased capital project activity.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to $95,728,554 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, infrastructure, and right-to-use leased assets. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

TABLE III
CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2022	2021	2022	2021	2022	2021
Land	$ 13,943,705	$ 11,363,981	$ 538,350	$ 538,350	$ 14,482,055	$ 11,902,331
CIP	4,817,177	475,200	1,893,500	591,515	6,710,677	1,066,715
Buildings	12,881,056	13,327,658	1,358,880	1,426,853	14,239,936	14,754,511
Machinery and equipment	3,128,786	4,277,209	311,010	460,254	3,439,796	4,737,463
Infrastructure	28,207,015	29,889,667	26,149,306	26,377,704	54,356,321	56,267,371
Right-to-use leased assets	2,316,358	-	183,411	-	2,499,769	-
Total capital assets	$ 65,294,097	$ 59,333,715	$ 30,434,457	$ 29,394,676	$ 95,728,554	$ 88,728,391

Additional information on the City's capital assets can be found in the notes to the financial statements on page 54.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $59,085,004 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total outstanding debt increased by $3,104,342 in fiscal year 2022 due to issuance of bonds and notes payable (see Note 6).

TABLE IV
OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$ 3,269,518	$ 3,829,672	$ 3,705,486	$ 4,340,332	$ 6,975,004	$ 8,170,004
Certificates of Obligation	45,761,394	43,413,896	6,348,606	6,631,104	52,110,000	50,045,000
Capital Lease Obligation	2,332,524	2,145,728	148,596	217,538	2,481,120	2,363,266
Notes Payable	2,116,488	-	-	-	2,116,488	-
Total outstanding debt	$ 53,479,924	$ 49,389,296	$ 10,202,688	$ 11,188,974	$ 63,682,612	$ 60,578,270

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 57.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "Aa2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI. Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 2.52 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 14.49% for the 2022 tax year over the 2021 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2021-2022, also increased by 8.7% over the prior year's receipts. The City is focused on the implementation of the strategic plan to achieve its vision of becoming a community that is conveniently located, delivers outstanding services, engages its residents, and provides the right mix of high-quality retail, restaurant, and entertainment. The City is focusing on its investments in economic development, mobility, the transit-oriented development (TOD) district, infrastructure, quality development, regional cooperation, broadband, and employees, and it recognizes that partnerships are essential to excellent service delivery. With over 700 homes under construction and the approval of over 2,000 urban residential units the city is experiencing an increase in development fines and fees. Over the next two years, the city expects a substantial increase in ad valorem and sales tax.

The City Council approved a tax rate of $.56700 for fiscal year 2022. General operations and maintenance will receive $.42700 of the total and the remaining $.14000 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activitites	Business-Type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets					
Cash and cash equivalents	$ 11,735,080	$ 5,433,249	$ 17,168,329	$ 812,488	$ 72,967
Investments	33,478,724	10,151,879	43,630,603	195,163	-
Receivables (net of allowance)					
Accounts	4,101,566	2,454,857	6,556,423	186,022	-
Inventories	15,834	59,549	75,383	-	-
Prepaid items	16,093	-	16,093	-	-
Capital assets not being depreciated					
Land	13,943,705	538,350	14,482,055	4,313,348	3,087,601
Construction in progress	4,817,177	1,893,500	6,710,677	-	-
Capital assets (net of accumulated depreciation/amortization)					
Buildings	12,881,056	1,358,880	14,239,936	-	-
Machinery and equipment	3,128,786	311,010	3,439,796	-	-
Infrastructure	28,207,015	26,149,306	54,356,321	-	-
Right to use leased assets	2,316,358	183,411	2,499,769	-	-
Total assets	114,641,394	48,533,991	163,175,385	5,507,021	3,160,568
Deferred Outflows of Resources					
Deferred loss from refunding	-	32,024	32,024	-	-
Deferred outflows - pension	1,425,234	224,144	1,649,378	19,290	-
Deferred outflows - OPEB	122,962	17,750	140,712	1,486	-
Total deferred outflows of resources	1,548,196	273,918	1,822,114	20,776	-
Liabilities					
Accounts payable	2,137,010	1,063,863	3,200,873	5,709	-
Accrued liabilities	232,975	33,816	266,791	2,858	-
Accrued interest payable	249,695	52,697	302,392	-	-
Municipal court bonds	13,236	-	13,236	-	-
Customer meter deposits	-	664,830	664,830	-	-
Other liabilities	1,929,243	-	1,929,243	-	-
Unearned revenues	3,459,040	-	3,459,040	-	-
Noncurrent liabilities					
Due within one year	4,714,631	1,230,103	5,944,734	20,408	-
Due in more than one year	53,612,931	9,991,868	63,604,799	-	-
Net pension liability	1,920,380	246,319	2,166,699	29,420	-
Total OPEB liability	493,931	65,926	559,857	6,038	-
Total liabilities	68,763,072	13,349,422	82,112,494	64,433	-

The accompanying notes are an integral part of these financial statements.

Deferred Inflows of Resources					
Deferred gain on refunding	4,999	-	4,999	-	-
Deferred inflows - lease related	112,955	-	112,955	-	-
Deferred inflows - pension	2,738,699	379,061	3,117,760	32,416	-
Deferred inflows - OPEB	51,283	7,753	59,036	630	-
Total deferred inflows of resources	2,907,936	386,814	3,294,750	33,046	-
Net Position					
Net investment in capital assets	35,071,832	24,050,367	59,122,199	4,313,348	3,087,601
Restricted for capital projects	294,523	1,779,473	2,073,996	-	-
Restricted for specific programs	3,352,957	-	3,352,957	-	-
Restricted for debt service	404,737	-	404,737	-	-
Restricted for economic development	-	-	-	1,116,970	72,967
Unrestricted	5,394,533	9,241,833	14,636,366	-	-
Total net position	$ 44,518,582	$ 35,071,673	$ 79,590,255	$ 5,430,318	$ 3,160,568

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	$ 12,229,945	$ 5,090,198	$ 83,022	$ 2,033,334
Community services	2,172,726	217,686	200,247	-
Public works	5,273,963	248,416	-	1,392,671
Planning and community development	864,967	1,096,154	-	-
City administration	4,482,255	97,337	81,148	-
Finance and administrative services	1,192,590	-	-	-
Interest on long-term debt	1,338,507	-	438,381	-
Total governmental activities	27,554,953	6,749,791	802,798	3,426,005
Business-type activities				
Water and sewer	14,129,665	15,360,377	10,187	2,098,538
Storm drainage	660,768	846,546	-	467,169
Total business-type activities	14,790,433	16,206,923	10,187	2,565,707
Total primary government	42,345,386	22,956,714	812,985	5,991,712
Component units				
Corinth Economic Development Corporation	766,572	-	-	-
Corinth Economic Development Foundation	-	-	-	681,218
Total component units	$ 766,572	$ -	$ -	$ 681,218
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Vehicle tax				
Investment income (loss)				
Other income				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
$ (5,023,391)	$ -	$ (5,023,391)		
(1,754,793)	-	(1,754,793)		
(3,632,876)	-	(3,632,876)		
231,187	-	231,187		
(4,303,770)	-	(4,303,770)		
(1,192,590)	-	(1,192,590)		
(900,126)	-	(900,126)		
(16,576,359)	-	(16,576,359)		
-	3,339,437	3,339,437		
-	652,947	652,947		
-	3,992,384	3,992,384		
(16,576,359)	3,992,384	(12,583,975)		
			(766,572)	-
			-	681,218
			(766,572)	681,218
14,683,023	-	14,683,023	-	-
3,091,696	-	3,091,696	1,057,099	-
1,283,833	-	1,283,833	-	-
109,825	-	109,825	-	-
42,361	-	42,361	-	-
(53,482)	70,074	16,592	3,281	466
98,336	23,058	121,394	-	25,001
40,314	-	40,314	-	-
612,937	(612,937)	-	-	-
19,908,843	(519,805)	19,389,038	1,060,380	25,467
3,332,484	3,472,579	6,805,063	293,808	706,685
41,186,098	31,599,094	72,785,192	5,136,510	2,453,883
$ 44,518,582	$ 35,071,673	$ 79,590,255	$ 5,430,318	$ 3,160,568

	General	Debt Service	2019 CO Fund	2020 CO Fund
Assets				
Cash and cash equivalents	$ 349,937	$ 617,750	$ 400,516	$ 111,713
Investments	4,857,857	-	8,753,247	8,348,137
Receivables (net of allowance)				
Property taxes	119,967	36,935	-	-
Sales taxes	372,578	-	-	-
Accounts	10,193	-	-	-
Interest	3,682	-	1,606	1,594
Warrants	2,328,615	-	-	-
Ambulance	476,643	-	-	-
Leases	-	-	-	-
Miscellaneous	270,369	-	-	-
Due from other governments	589	247	-	-
Inventories	15,834	-	-	-
Prepaid items	1,893	-	-	-
Total assets	$ 8,808,157	$ 654,932	$ 9,155,369	$ 8,461,444
Liabilities				
Accounts payable	$ 500,185	$ 500	$ 16,076	$ 7,910
Accrued liabilities	193,946	-	-	-
Municipal court bonds	13,236	-	-	-
Other liabilities	1,229,200	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	1,936,567	500	16,076	7,910
Deferred Inflows of Resources				
Lease related	-	-	-	-
Unavailable revenue	1,690,291	36,583	-	-
Total deferred inflows of resources	1,690,291	36,583	-	-
Fund Balances				
Nonspendable	17,727	-	-	-
Restricted	-	617,849	9,139,293	8,453,534
Committed	-	-	-	-
Unassigned	5,163,572	-	-	-
Total fund balances	5,181,299	617,849	9,139,293	8,453,534
Total liabilites, deferred inflows of resources, and fund balances	$ 8,808,157	$ 654,932	$ 9,155,369	$ 8,461,444

The accompanying notes are an integral part of these financial statements.

2021 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
$ 148,603	$ 4,416,201	$ 5,690,360	$ 11,735,080
4,789,717	-	6,729,766	33,478,724
-	-	-	156,902
-	-	166,733	539,311
-	-	-	10,193
671	-	117	7,670
-	-	-	2,328,615
-	-	-	476,643
-	-	113,682	113,682
-	-	197,345	467,714
-	-	-	836
-	-	-	15,834
-	-	14,200	16,093
$ 4,938,991	$ 4,416,201	$ 12,912,203	$ 49,347,297
$ 178,125	$ 960,626	$ 473,588	$ 2,137,010
-	-	39,029	232,975
-	-	-	13,236
-	-	700,043	1,929,243
-	3,453,309	5,731	3,459,040
178,125	4,413,935	1,218,391	7,771,504
-	-	112,955	112,955
-	-	137,407	1,864,281
-	-	250,362	1,977,236
-	-	14,200	31,927
4,760,866	2,266	8,090,423	31,064,231
-	-	3,338,827	3,338,827
-	-	-	5,163,572
4,760,866	2,266	11,443,450	39,598,557
$ 4,938,991	$ 4,416,201	$ 12,912,203	$ 49,347,297

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Total Fund Balances - Governmental Funds	$ 39,598,557
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	65,294,097
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
Leases payable	(2,332,524)
Bonds payable	(52,567,156)
Notes payable	(2,116,488)
Accrued compensated absences	(1,311,394)
Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	(4,999)
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(249,695)
Included in liabilities is the recognition of the City's net pension liability in the amount of $1,920,380, a deferred inflow of resources of $2,738,699 and a deferred outflow of resources of $1,425,234. This results in a decrease in net position.	(3,233,845)
Included in liabilities is the recognition of the City's total OPEB liability in the amount of $493,931, a deferred inflow of resources of $51,283, and a deferred outflow of resources of $122,962. This results in a decrease in net position.	(422,252)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $155,465, net fines, fees and court costs receivable of $1,099,416, net fees for ambulance receivables of $408,396, franchise tax receivable for $62,608, grant receivable of $137,407, and net receivable for other items of $989, were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	1,864,281
Net Position of Governmental Activities	$ 44,518,582

The accompanying notes are an integral part of these financial statements.

	General	Debt Service	2019 CO Fund	2020 CO Fund
Revenues				
Taxes				
Property	$ 11,079,621	$ 3,622,216	$ -	$ -
Sales	2,127,305	-	-	-
Hotel occupancy tax	-	-	-	-
Franchise	1,151,664	-	-	-
Vehicle	-	-	-	-
Escrow and impact fees	-	-	-	-
Utility fees	193,309	-	-	-
Traffic fines and forfeitures	592,629	-	-	-
Development fees and permits	876,043	-	-	-
Police fees and permits	560,380	-	-	-
Parks and recreation fees	73,782	-	-	-
Fire services	3,750,448	-	-	-
Donations	-	-	-	-
Investment income (loss)	39,226	9,121	(37,742)	(95,516)
Grants	67,337	-	-	-
Miscellaneous income	41,354	438,381	-	-
Charges for services	143,974	-	-	-
Total revenues	20,697,072	4,069,718	(37,742)	(95,516)
Expenditures				
Current				
Public safety	11,231,452	-	-	-
Community services	1,760,427	-	-	10,660
Public works	798,836	-	665,749	90,037
Planning and community development	898,977	-		-
City administration	3,707,774	-	-	-
Finance and administrative services	1,095,601	-	-	-
Debt service				
Principal	-	2,801,239	-	-
Interest	-	1,491,221	-	-
Issuance cost and fees	-	2,630	-	-
Capital outlay	-	-	2,893,383	110,716
Total expenditures	19,493,067	4,295,090	3,559,132	211,413
Excess (Deficiency) of Revenues over (under) Expenditures	1,204,005	(225,372)	(3,596,874)	(306,929)
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	-
Issuance of bonds	-	-	-	-
Issuance of notes payable	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	-	331,560	-
Transfers out	(1,387,581)	-	(23,000)	-
Transfers in	1,006,780	297,052	-	-
Total other financing sources (uses)	(380,801)	297,052	308,560	-
Net Change in Fund Balance	823,204	71,680	(3,288,314)	(306,929)
Fund Balance - October 1 (Beginning)	4,358,095	546,169	12,427,607	8,760,463
Fund Balance - September 30 (Ending)	$ 5,181,299	$ 617,849	$ 9,139,293	$ 8,453,534

The accompanying notes are an integral part of these financial statements.

2021 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 14,701,837
-	-	964,391	3,091,696
-	-	109,825	109,825
-	-	109,612	1,261,276
-	-	42,361	42,361
-	-	248,416	248,416
-	-	-	193,309
-	-	32,887	625,516
-	-	-	876,043
-	-	27,049	587,429
-	-	83,745	157,527
-	-	-	3,750,448
-	-	268,493	268,493
(62,707)	12,718	81,418	(53,482)
-	2,033,334	5,000	2,105,671
-	-	35,046	514,781
-	-	-	143,974
(62,707)	2,046,052	2,008,243	28,625,120
-	-	587,137	11,818,589
-	-	83,483	1,854,570
-	-	632,506	2,187,128
-	-	11,605	910,582
-	350,504	184,525	4,242,803
-	-	156,133	1,251,734
-	-	566,046	3,367,285
-	-	67,168	1,558,389
-	-	129,113	131,743
178,125	1,685,297	4,728,642	9,596,163
178,125	2,035,801	7,146,358	36,918,986
(240,832)	10,251	(5,138,115)	(8,293,866)
-	-	536,024	536,024
-	-	4,285,000	4,285,000
-	-	2,176,669	2,176,669
-	-	344,235	344,235
-	-	28,015	359,575
-	(10,251)	(889,942)	(2,310,774)
-	-	1,619,879	2,923,711
-	(10,251)	8,099,880	8,314,440
(240,832)	-	2,961,765	20,574
5,001,698	2,266	8,481,685	39,577,983
$ 4,760,866	$ 2,266	$ 11,443,450	$ 39,598,557

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City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$ 20,574
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		9,639,808
Developer contributions increase capital assets in the government-wide financial statements.		1,392,671
The net book value of capital assets disposed reduces net position.		(363,099)
Depreciation and amortization are not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(5,169,218)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	(4,285,000)	
Issuance of bond premium	(344,235)	
Issuance of leases	(536,024)	
Issuance of notes payable	(2,176,669)	
Bond principal repayments	2,497,656	
Lease principal repayment	809,448	
Notes payable principal repayment	60,181	
Amortization of bond premium	294,523	
Amortization of deferred gain on bond refunding	1,249	
		(3,678,871)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		91,431
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is an increase in net position.		55,853
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $1,413,039. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of $276,395.		1,136,644
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $15,042. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of $68,584.		(53,542)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		260,233
Change in Net Position of Governmental Activities		$ 3,332,484

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	$ 4,851,703	$ 581,546	$ 5,433,249
Investments	9,714,999	436,880	10,151,879
Receivables (net of allowance)			
Accounts	2,308,865	90,791	2,399,656
Interest	3,726	-	3,726
Miscellaneous	51,475	-	51,475
Inventories	54,452	5,097	59,549
Prepaid items	-	-	-
Total current assets	16,985,220	1,114,314	18,099,534
Noncurrent assets			
Capital assets			
Land	526,350	12,000	538,350
Construction in progress	1,401,587	491,913	1,893,500
Buildings	1,781,226	-	1,781,226
Machinery and equipment	1,102,404	336,027	1,438,431
Infrastructure	47,385,468	7,387,159	54,772,627
Right to use leased assets	244,029	30,571	274,600
Less accumulated amortization	(79,288)	(11,901)	(91,189)
Less accumulated depreciation	(26,701,983)	(3,471,105)	(30,173,088)
Total capital assets, net	25,659,793	4,774,664	30,434,457
Total assets	42,645,013	5,888,978	48,533,991
Deferred Outflows of Resources			
Deferred charge on refunding	27,692	4,332	32,024
Deferred outflows - pension	198,227	25,917	224,144
Deferred outflows - OPEB liability	16,319	1,431	17,750
Total deferred outflows of resources	242,238	31,680	273,918
Liabilities			
Current liabilities			
Accounts payable	1,053,466	10,397	1,063,863
Accrued liabilities	31,801	2,015	33,816
Accrued interest payable	48,413	4,284	52,697
Customer deposits	664,830	-	664,830
Current portion of leases	55,811	8,970	64,781
Current portion of compensated absences	59,610	4,256	63,866
Current portion of bonds	958,121	143,335	1,101,456
Total current liabilities	2,872,052	173,257	3,045,309

The accompanying notes are an integral part of these financial statements.

Noncurrent liabilities			
Leases	75,897	7,918	83,815
Compensated absences	33,105	-	33,105
Net pension liability	208,656	37,663	246,319
Total OPEB liability	60,941	4,985	65,926
Bonds	9,252,817	622,131	9,874,948
Total noncurrent liabilities	9,631,416	672,697	10,304,113
Total liabilities	12,503,468	845,954	13,349,422
Deferred Inflows of Resources			
Deferred inflows - pension	346,757	32,304	379,061
Deferred inflows - OPEB	7,098	655	7,753
Total deferred inflows of resources	353,855	32,959	386,814
Net Position			
Net investment in capital assets	20,053,725	3,996,642	24,050,367
Restricted for capital projects	1,684,285	95,188	1,779,473
Unrestricted	8,291,918	949,915	9,241,833
Total net position	$ 30,029,928	$ 5,041,745	$ 35,071,673

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	$ 8,858,196	$ -	$ 8,858,196
Sewer disposal	4,911,286	-	4,911,286
Storm drainage fees	-	734,555	734,555
Garbage	1,087,932	-	1,087,932
Penalties and reconnect fees	199,455	-	199,455
Tap fees	212,755	-	212,755
Service fees	750	-	750
Inspections	90,003	111,991	201,994
Grants	10,187	-	10,187
Total Operating Revenues	15,370,564	846,546	16,217,110
Operating Expenses			
Wages and benefits	1,728,383	157,323	1,885,706
Professional services and contracts	1,757,390	66,934	1,824,324
Upper Trinity contract fees	7,254,612	-	7,254,612
Maintenance and operations	571,376	21,392	592,768
Supplies	98,296	7,953	106,249
Utilities and communication	218,438	2,502	220,940
Vehicles/equipment and fuel	93,926	22,612	116,538
Travel and training	32,701	3,035	35,736
Amortization	1,857	-	1,857
Depreciation	2,056,868	357,913	2,414,781
Total Operating Expenses	13,813,847	639,664	14,453,511
Operating Income	1,556,717	206,882	1,763,599
Nonoperating Revenues (Expenses)			
Interest income	64,726	5,348	70,074
Miscellaneous income (expense)	23,058	-	23,058
Gain on sale of capital assets	-	-	-
Interest expense	(315,818)	(21,104)	(336,922)
Total Nonoperating (Expenses) Revenues	(228,034)	(15,756)	(243,790)
Income Before Contributions and Transfers	1,328,683	191,126	1,519,809
Contributions and Transfers			
Special assessment - water and sewer impact fees	826,002	-	826,002
Capital contributions	1,272,536	467,169	1,739,705
Transfers in	4,212,818	242,283	4,455,101
Transfers out	(4,919,384)	(148,654)	(5,068,038)
Total Contributions and Transfers	1,391,972	560,798	1,952,770
Change in Net Position	2,720,655	751,924	3,472,579
Net Position, Beginning	27,309,273	4,289,821	31,599,094
Net Position, Ending	$ 30,029,928	$ 5,041,745	$ 35,071,673

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 15,088,913	$ 844,664	$ 15,933,577
Payments to or on behalf of employees	(1,928,472)	(173,869)	(2,102,341)
Payments to Upper Trinity for contract fees	(7,254,612)	-	(7,254,612)
Payments to suppliers	(2,469,465)	(127,722)	(2,597,187)
Net Cash Provided by Operating Activities	3,436,364	543,073	3,979,437
Cash Flows from Noncapital Financing Activities			
Transfers out	(4,919,384)	(148,654)	(5,068,038)
Transfers in	4,212,818	242,283	4,455,101
Net Cash (Used) Provided by Noncapital Financing Activities	(706,566)	93,629	(612,937)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(1,426,027)	(294,343)	(1,720,370)
Principal paid on bonds	(799,906)	(117,438)	(917,344)
Principal paid on leases	(59,887)	(9,055)	(68,942)
Interest paid on bonds	(434,032)	(40,755)	(474,787)
Proceeds from sale of assets	3,656	-	3,656
Special assessments- impact fees	826,002	-	826,002
Net Cash Used by Capital and Related Financing Activities	(1,890,194)	(461,591)	(2,351,785)
Cash Flows from Investing Activities			
Decrease (increase) in short-term investments	(774,215)	(152,135)	(926,350)
Interest received	87,268	5,348	92,616
Net Cash Used by Investing Activities	(686,947)	(146,787)	(833,734)
Net Change in Cash and Cash Equivalents	152,657	28,324	180,981
Cash and Cash Equivalents, Beginning	4,699,046	553,222	5,252,268
Cash and Cash Equivalents, Ending	$ 4,851,703	$ 581,546	$ 5,433,249

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 1,556,717	$ 206,882	$ 1,763,599
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	2,058,725	357,913	2,416,638
(Increase) decrease in accounts receivable	(291,896)	(1,882)	(293,778)
(Increase) decrease in inventories	40,849	(417)	40,432
(Increase) decrease in prepaid items	950	-	950
Increase (decrease) in accounts payable	260,863	(2,877)	257,986
Increase (decrease) in customer deposits	10,245	-	10,245
Increase (decrease) in accrued liabilities	(200,089)	(16,546)	(216,635)
Net Cash Provided by Operating Activities	$ 3,436,364	$ 543,073	$ 3,979,437
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	$ 1,272,536	$ 467,169	$ 1,739,705

Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component units. The Corinth Crime Control and Prevention District (CCD) was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The Fire District was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of fire control, prevention, and emergency services authorized by the City. The CCD and Fire District are governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD and Fire District boards are made up of the City Council, the CCD and Fire District meets the standard that the board is substantially the same as the City Council. The CCD and Fire District provide services entirely to the City. Therefore, the CCD and Fire District are reported as blended component units. The CCD and Fire District are reported as a special revenue funds and do not issue separate financial statements.

Discretely presented component units. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

The Corinth Economic Development Foundation (CEDF) was organized as a nonprofit corporation to promote and enhance the economic and business community in the City of Corinth. The CEDF is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDF is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDF does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

- The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- The **2019 CO Fund** is used to account for the resources obtained from the issuance of the 2019 $19,205,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2020 CO Fund** is used to account for the resources obtained from the issuance of the 2020 $9,260,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2021 CO Fund** is used to account for the resources obtained from the issuance of the 2021 $4,740,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **COVID CARES Act Fund** is used to account for grant funding received from the CARES Act.

The City reports the following major proprietary fund types:

- **Water and Sewer Fund** – The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes or committed for special projects.
- Nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily though certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Implementation of GASB Statement No. 87

As of October 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. The effect of the implementation of this standard had no effect on beginning net position. The additional disclosures required by this standard are included in Note 6.

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.

Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at amortized cost. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are based on market data obtained from independent sources.

- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled $1,864,005 for General Fund, $8,091 for Debt Service Fund, $123,547 for Water and Sewer Fund and $441 for Storm Drainage Fund.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component units, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and Wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-50 years
Park equipment	10-20 years

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 17 months to 10 years.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

Compensated Absences

Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes
Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to $2.50 per $100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2022, was $.567 per $100 of assessed valuation.

Fund Balance
The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had $15,834 and $1,893 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund, $11,834 in nonspendable fund balance for prepaid items in the special revenue fund, and $2,366 in nonspendable fund balance for prepaid items in Fire District at September 30, 2022.

- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled $617,849 as of September 30, 2022. Fund balance restricted for future capital projects included the 2019 CO Fund, 2020 CO Fund, 2021 CO Fund, 2016 CO Fund, 2017 CO Fund and 2021A CO Fund and totaled $9,139,293, $8,453,534, $4,760,866, $427,648, $167,453, and $3,850,180, respectively. Special revenue fund balance restricted for specific programs included COVID CARES Act, Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, and Short-term Rental Vehicle Tax totaled $2,266, $799,647, $769,603, $235,333, $37,944, $43,135, $118,859, $32,281, $11,631, $371,610, $19,694, $427,252, $294,523, $287,523, $97,896, $55,303, and $42,980, respectively, as of September 30, 2022.

  Committed fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue and Street Rehabilitation totaling $208,918 and $230,917, respectively, as of September 30, 2022. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, and LCFD Public Property and totaled $1,607,093, $292,636, $252,865, $428,585, and $317,813, respectively, as of September 30, 2022.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance.

- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy
The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions
When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, Short-term Rental Vehicle Tax and Street Rehabilitation, special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the Director. Transfers between functional departments require the approval of the Director, Budget Manager, and Finance Director. Transfers between funds may require Council approval. All transfers of appropriations require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager may approve all budget amendments that alter department or operating appropriations. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments).

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City, CEDC and CEDF at September 30, 2022, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2022, including classification by level, within the fair value hierarchy:

Primary Government

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexSTAR	$ 27,943,616	N/A	AAAm	< 60 days	None

				Investment Maturity in Years		
Other Investments				Less than 1 Year	1 - 5	More than 5 Years
U.S. Government Backed Securities	15,686,987	Level 2	AA+	$ 4,926,202	$ 10,760,785	$ -
Total Investments	$ 43,630,603			$ 4,926,202	$ 10,760,785	$ -

CEDC

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexPool	$ 329	N/A	AAAm	< 60 days	None

				Investment Maturity in Years		
Other Investments				Less than 1 Year	1 - 5	More than 5 Years
Money market	194,834	Level 1	N/A	$ 194,834	$ -	$ -
Total Investments	$ 195,163			$ 194,834	$ -	$ -

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 365 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and CEDC invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2022, the City's investments in TexPool and TexSTAR were both rated AAAm by Standard & Poor's.

Concentration of Credit Risk. The City's investment policy limits the investment portfolio by the following:

Investment	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury and Agency Callables	30%

Capital Assets

A summary of changes in capital assets follows:

	(Restated) Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$ 11,363,981	$ 2,785,130	$ -	$ 205,406	$ 13,943,705
Construction in progress	475,200	4,341,977	-	-	4,817,177
Total assets not being depreciated	11,839,181	7,127,107	-	205,406	18,760,882
Capital assets, being depreciated:					
Buildings	17,538,719	53,758	-	6,767	17,585,710
Machinery and equipment	8,496,907	1,908,532	(30,899)	454,592	9,919,948
Infrastructure	106,642,361	1,407,058	-	-	108,049,419
Total capital assets being depreciated	132,677,987	3,369,348	(30,899)	461,359	135,555,077
Less accumulated depreciation					
Buildings	4,211,061	493,593	-	-	4,704,654
Machinery and equipment	6,316,338	809,389	(30,899)	303,666	6,791,162
Infrastructure	76,752,694	3,089,710	-	-	79,842,404
Total accumulated depreciation	87,280,093	4,392,692	(30,899)	303,666	91,338,220
Total capital assets being depreciated, net	45,397,894	(1,023,344)	-	157,693	44,216,857
Right to use leased assets, being amortized:					
Buildings	236,587	-	-	-	236,587
Machinery and equipment	2,193,314	536,024	-	-	2,729,338
Infrastructure	126,959	-	-	-	126,959
Total right to use leased assets, being amortized:	2,556,860	536,024	-	-	3,092,884
Less accumulated amortization					
Buildings	-	47,317	-	-	47,317
Machinery and equipment	-	695,680	-	-	695,680
Infrastructure	-	33,529	-	-	33,529
Total accumulated amortization	-	776,526	-	-	776,526
Total right to use leased assets being amortized, net	2,556,860	(240,502)	-	-	2,316,358
Governmental activities capital assets, net	$ 59,793,935	$ 5,863,261	$ -	$ 363,099	$ 65,294,097

	(Restated) Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	$ 538,350	$ -	$ -	$ -	$ 538,350
Construction in progress	591,515	1,301,985	-	-	1,893,500
Total assets not being depreciated	1,129,865	1,301,985	-	-	2,431,850
Capital assets, being depreciated:					
Buildings	1,757,915	23,311	-	-	1,781,226
Machinery and equipment	1,232,255	175,277	30,899	-	1,438,431
Infrastructure	52,819,624	1,953,003	-	-	54,772,627
Total capital assets being depreciated	55,809,794	2,151,591	30,899	-	57,992,284
Less accumulated depreciation					
Buildings	331,062	91,284	-	-	422,346
Machinery and equipment	1,043,758	52,764	30,899	-	1,127,421
Infrastructure	26,441,920	2,181,401	-	-	28,623,321
Total accumulated depreciation	27,816,740	2,325,449	30,899	-	30,173,088
Total capital assets being depreciated, net	27,993,054	(173,858)	-	-	27,819,196
Right to use leased assets, being amortized:					
Machinery and equipment	274,600	-	-	-	274,600
Total right to use leased assets, being amortized:	274,600	-	-	-	274,600
Less accumulated amortization					
Machinery and equipment	-	91,189	-	-	91,189
Total accumulated amortization	-	91,189	-	-	91,189
Total right to use leased assets being amortized, net	274,600	(91,189)	-	-	183,411
Business activities capital assets, net	$ 29,397,519	$ 1,036,938	$ -	$ -	$ 30,434,457

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
CEDC					
Capital assets, not being depreciated					
Land	$ 4,313,348	$ -	$ -	$ -	$ 4,313,348
Total assets not being depreciated	4,313,348	-	-	-	4,313,348
CEDC capital assets, net	$ 4,313,348	$ -	$ -	$ -	$ 4,313,348

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
CEDF					
Capital assets, not being depreciated					
Land	$ 2,056,382	$ 1,031,219	$ -	$ -	$ 3,087,601
Total assets not being depreciated	2,056,382	1,031,219	-	-	3,087,601
CEDF capital assets, net	$ 2,056,382	$ 1,031,219	$ -	$ -	$ 3,087,601

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Public safety	$ 1,277,751
Community services	366,580
Public works	3,132,584
Planning and community development	20,649
City administration	368,318
Finance and administrative services	3,336
Total depreciation/amortization expense - Governmental activities	$ 5,169,218
Business-type activities	
Water and sewer	$ 2,058,725
Storm drainage	357,913
Total depreciation/amortization expense - Business-type activities	$ 2,416,638

Lessee Activities

The City entered into various lease agreements as lessee for the use of buildings, machinery and equipment, and infrastructure. As of September 30, 2022, the value of the lease liability was $2,481,120. The City is required to make monthly principal and interest payments ranging from $213 to $3,906 and annual principal and interest payments ranging from $10,000 to $97,287. The leases terminate ranging from October 2022 to November 2028. The lease liability was valued using a discount rate ranging from 0.25% to 6.63% as determined by the City's management based on the City's estimated incremental borrowing rate.

Lessor Activities

The City has accrued a receivable for one land lease and two infrastructure leases. The remaining receivable for these leases was $113,682 for the year ended September 30, 2022. Deferred inflows related to these leases were $112,955 as of September 30, 2022. Interest revenue recognized on these leases was $635 for the year ended September 30, 2022. Principal receipts of $108,884 were recognized during the fiscal year. The interest rate on the leases ranged from 0.427% – .901%. Final receipt is expected in fiscal year 2024.

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2022, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	$ 1,006,780	$ 1,387,581	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	297,052	-	Administrative Transfer
2019 CO Street	-	23,000	Capital Projects Reallocation
COVID CARES Act	-	10,251	Administrative Transfer
Other Governmental	1,619,879	889,942	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	4,212,818	4,919,384	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
Storm Drainage	242,283	148,654	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
	$ 7,378,812	$ 7,378,812	

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds, certificates of obligation, lease liabilities and notes payable. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds, certificates of obligation and lease liabilities. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Sewer Fund, Storm Drainage Fund and CEDC.

Governmental activity lease payments are currently being made from the General Fund, the Crime Control and Prevention Fund, the Broadband Utility Fund, and the LCFD Vehicle and Equipment Replacement Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	(Restated) Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	$ 43,413,896	$ 4,285,000	$ (1,937,502)	$ 45,761,394	$ 2,050,684
General obligation bonds	3,829,672	-	(560,154)	3,269,518	588,279
Bond premiums/discounts (net)	3,486,532	344,235	(294,523)	3,536,244	294,523
Compensated absences	1,402,825	1,564,291	(1,655,722)	1,311,394	888,581
Lease obligation	2,605,948	536,024	(809,448)	2,332,524	759,692
Notes payable	-	2,176,669	(60,181)	2,116,488	132,872
Total governmental activities	$ 54,738,873	$ 8,906,219	$ (5,317,530)	$ 58,327,562	$ 4,714,631
Business-type activities					
Certificates of obligation	$ 6,631,104	$ -	$ (282,498)	$ 6,348,606	$ 294,316
General obligation bonds	4,340,332	-	(634,846)	3,705,486	666,721
Bond premiums/discounts (net)	1,062,731	-	(140,419)	922,312	140,419
Compensated absences	101,658	132,947	(137,634)	96,971	63,866
Lease obligation	220,381	-	(71,785)	148,596	64,781
Total business type activities	12,356,206	132,947	(1,267,182)	11,221,971	1,230,103
Primary government	$ 67,095,079	$ 9,039,166	$ (6,584,712)	$ 69,549,533	$ 5,944,734
CEDC					
Compensated absences	$ 5,345	$ 18,472	$ (3,409)	$ 20,408	$ 20,408
	$ 5,345	$ 18,472	$ (3,409)	$ 20,408	$ 20,408

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2022	Business Type Amount Outstanding 9/30/2022
Certificates of Obligation	4/21/2016	$ 13,275,000	2.00%-5.00%	2/15/2036	$ 10,572,282	$ 1,147,721
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	3,269,518	3,705,482
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	2,988,748	1,336,252
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	14,575,364	3,864,637
Certificates of Obligation	10/22/2020	9,260,000	2.00%-4.00%	2/15/2040	8,895,000	-
Certificates of Obligation	1/21/2021	4,740,000	1.70%-4.00%	2/15/2041	4,625,000	-
Certificates of Obligation	10/21/2021	4,285,000	2.20%-4.00%	2/15/2041	4,105,000	-
					$ 49,030,912	$ 10,054,092

The annual requirements to retire general long-term debt, including interest, as of September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2023	$ 2,638,963	$ 1,652,930	$ 4,291,893
2024	2,750,998	1,537,224	4,288,222
2025	2,867,544	1,426,753	4,294,297
2026	2,981,746	1,307,594	4,289,340
2027	3,120,393	1,171,046	4,291,439
2028-2032	13,605,512	4,137,094	17,742,606
2033-2037	14,966,286	1,782,967	16,749,253
2038-2041	6,099,470	209,731	6,309,201
Total	$ 49,030,912	$ 13,225,339	$ 62,256,251

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2023	$ 961,037	$ 397,886	$ 1,358,923
2024	1,009,002	351,573	1,360,575
2025	1,057,456	305,213	1,362,669
2026	1,103,254	255,953	1,359,207
2027	1,159,607	201,445	1,361,052
2028-2032	1,954,488	659,987	2,614,475
2033-2037	2,228,714	278,332	2,507,046
2038-2039	580,534	19,556	600,090
Total	$ 10,054,092	$ 2,469,945	$ 12,524,037

The annual requirements to retire lease obligations, including interest, as of September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2023	$ 824,473	$ 59,283	$ 883,756
2024	564,780	36,606	601,386
2025	466,014	22,163	488,177
2026	374,765	12,181	386,946
2027	124,342	4,927	129,269
2028-2029	126,746	2,493	129,239
Total	$ 2,481,120	$ 137,653	$ 2,618,773

The annual requirements to retire notes payable, including interest, as of September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2023	$ 132,872	$ -	$ 132,872
2024	256,008	58,495	314,503
2025	280,953	33,550	314,503
2026	284,352	30,151	314,503
2027	154,957	26,675	181,632
2028-2032	829,788	78,370	908,158
2033	177,558	4,075	181,633
Total	$ 2,116,488	$ 231,316	$ 2,347,804

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	156
Active employees	158
Total	418

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.45% and 15.03% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were $1,950,232, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Overall payroll growth	2.65%	per year
Investment rate of return	6.75%	net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%
Total	100.00%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
Entity-Wide	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2020	$ 49,294,868	$ 44,415,965	$ 4,878,903
Changes for the year:			
Service cost	2,195,301	-	2,195,301
Interest	3,351,329	-	3,351,329
Change in benefit terms	-	-	-
Difference between expected and actual experience	257,440	-	257,440
Change in assumptions	-	-	-
Contributions - employer	-	1,882,874	(1,882,874)
Contributions - employee	-	831,553	(831,553)
Net investment income	-	5,799,034	(5,799,034)
Benefit payments, including refunds of contributions	(1,486,392)	(1,486,392)	-
Administrative expense	-	(26,791)	26,791
Other changes	-	184	(184)
Net changes	4,317,678	7,000,462	(2,682,784)
Balance at 12/31/2021	$ 53,612,546	$ 51,416,427	$ 2,196,119

Primary Government	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2020	$ 48,760,188	$ 43,937,739	$ 4,822,449
Changes for the year:			
Service cost	2,165,892	-	2,165,892
Interest	3,306,433	-	3,306,433
Change in benefit terms	-	-	-
Difference between expected and actual experience	253,991	-	253,991
Change in assumptions	-	-	-
Contributions - employer	-	1,857,650	(1,857,650)
Contributions - employee	-	820,413	(820,413)
Net investment income	-	5,721,193	(5,721,193)
Benefit payments, including refunds of contributions	(1,466,480)	(1,466,480)	-
Administrative expense	-	(18,770)	18,770
Other changes	-	1,580	(1,580)
Net changes	4,259,836	6,915,586	(2,655,750)
Balance at 12/31/2021	$ 53,020,024	$ 50,853,325	$ 2,166,699

CEDC	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2020	$ 534,680	$ 478,226	$ 56,454
Changes for the year:			
Service cost	29,409	-	29,409
Interest	44,896	-	44,896
Change in benefit terms	-	-	-
Difference between expected and actual experience	3,449	-	3,449
Change in assumptions	-	-	-
Contributions - employer	-	25,224	(25,224)
Contributions - employee	-	11,140	(11,140)
Net investment income	-	77,841	(77,841)
Benefit payments, including refunds of contributions	(19,912)	(19,912)	-
Administrative expense	-	(8,021)	8,021
Other changes	-	(1,396)	1,396
Net changes	57,842	84,876	(27,034)
Balance at 12/31/2021	$ 592,522	$ 563,102	$ 29,420

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$ 11,380,030	$ 2,196,119	$ (5,167,303)
Reported by Governmental Activities	9,951,183	1,920,380	(4,518,510)
Reported by Business-Type Activities	1,276,396	246,319	(579,570)
Reported by Component Unit, CEDC	152,451	29,420	(69,223)
	$ 11,380,030	$ 2,196,119	$ (5,167,303)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of $637,412.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 205,093	$ 192,248	$ 202,346	$ 189,673	$ 2,747	$ 2,575
Changes in actuarial assumptions	50,536	-	49,859	-	677	-
Difference between projected and actual investment earnings	-	2,957,928	-	2,928,087	-	29,841
Contributions subsequent to the measurement date	1,413,039	-	1,397,173	-	15,866	-
Total	$ 1,668,668	$ 3,150,176	$ 1,649,378	$ 3,117,760	$ 19,290	$ 32,416

$1,413,039 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2023	$ (544,967)	$ (539,509)	$ (5,458)
2024	(1,221,022)	(1,208,792)	(12,230)
2025	(568,369)	(562,676)	(5,693)
2026	(560,189)	(554,578)	(5,611)
	$ (2,894,547)	$ (2,865,555)	$ (28,992)

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	30
Active employees	158
Total	253

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2022
Employer rate	0.16%
Employer contributions	$ 20,125

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 11.50%, including inflation
Discount rate	1.84%

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2021 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 1.84% was based on the Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2021.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2022, the City reported a total OPEB liability of $565,895 measured at December 31, 2021. For the year ended September 30, 2022, the City recognized OPEB expense of $71,069.

As of December 31, 2021, the discount rate used in the development of the total OPEB liability was 1.84% compared to 2.00% as of December 31, 2020.

Changes in the total OPEB liability for the measurement year ended December 31, 2021 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability		
	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2020	$ 510,714	$ 505,220	$ 5,494
Changes for the year:			
Service cost	41,578	41,096	482
Interest on total OPEB liability	10,559	10,446	113
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(9,779)	(9,675)	(104)
Effect of assumption changes or inputs	19,951	19,822	129
Benefit payments*	(7,128)	(7,052)	(76)
Balance as of December 31, 2021	$ 565,895	$ 559,857	$ 6,038

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate.

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's total OPEB liability	$ 712,764	$ 565,895	$ 455,455
Reported by Governmental Activities	622,123	493,931	397,535
Reported by Business-Type Activities	83,036	65,926	53,060
Reported by Component Unit, CEDC	7,605	6,038	4,860
	$ 712,764	$ 565,895	$ 455,455

At December 31, 2021, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 10,155	$ 48,560	$ 10,047	$ 48,042	$ 108	$ 518
Changes in actuarial assumptions	117,001	11,106	115,783	10,994	1,218	112
Contributions subsequent to the measurement date	15,042	-	14,882	-	160	-
Total	$ 142,198	$ 59,666	$ 140,712	$ 59,036	$ 1,486	$ 630

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2023 in the amount of $15,042. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2023	$ 18,932	$ 18,884	$ 48
2024	17,406	17,358	48
2025	14,700	14,652	48
2026	11,374	11,326	48
2027	4,578	4,530	48
Thereafter	500	468	32
	$ 67,490	$ 67,218	$ 272

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 10 - Commitments and Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately $35,236,141.

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

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REQUIRED SUPPLEMENTARY INFORMATION

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	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 11,151,093	$ 11,151,093	$ 11,079,621	$ (71,472)
Sales	1,862,391	1,862,391	2,127,305	264,914
Franchise	1,047,770	1,047,770	1,151,664	103,894
Utility fees	26,500	26,500	193,309	166,809
Traffic fines and forfeitures	696,435	696,435	592,629	(103,806)
Development fees and permits	500,834	500,834	876,043	375,209
Police fees and permits	366,207	640,185	560,380	(79,805)
Parks and recreation fees	69,500	69,500	73,782	4,282
Fire services	3,409,668	3,409,668	3,750,448	340,780
Interest income	49,500	49,500	39,226	(10,274)
Grants	60,422	60,422	67,337	6,915
Miscellaneous income	28,220	28,220	41,354	13,134
Charges for services	452,428	178,450	143,974	(34,476)
Total revenues	19,720,968	19,720,968	20,697,072	976,104
Expenditures				
Current				
Public safety	11,453,607	11,431,696	11,231,452	200,244
Community services	1,858,447	1,881,118	1,760,427	120,691
Public works	876,010	873,507	798,836	74,671
Planning and community development	1,120,716	1,097,077	898,977	198,100
City administration	3,318,573	3,190,633	3,707,774	(517,141)
Finance and administrative services	1,113,911	1,110,854	1,095,601	15,253
Total expenditures	19,741,264	19,584,885	19,493,067	91,818
Excess (Deficiency) of Revenues over (under) Expenditures	(20,296)	136,083	1,204,005	1,067,922
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	2,273,501	2,273,501	-	(2,273,501)
Transfers out	(1,169,235)	(2,056,290)	(1,387,581)	668,709
Transfers in	972,306	972,306	1,006,780	34,474
Total Financing Sources (Uses)	2,076,572	1,189,517	(380,801)	(1,570,318)
Net Change in Fund Balance	2,056,276	1,325,600	823,204	(502,396)
Fund Balance - October 1 (Beginning)	4,358,095	4,358,095	4,358,095	-
Fund Balance - September 30 (Ending)	$ 6,414,371	$ 5,683,695	$ 5,181,299	$ (502,396)

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Pension Liability				
Service cost	$ 2,195,301	$ 2,139,635	$ 1,974,459	$ 1,740,727
Interest on total pension liability	3,351,329	3,106,077	2,830,658	2,631,469
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	257,440	(308,779)	51,976	(461,003)
Change of assumptions	-	-	202,141	-
Benefit payments/refunds of contributions	(1,486,392)	(1,176,404)	(946,673)	(1,207,565)
Net change in total pension liability	4,317,678	3,760,529	4,112,561	2,703,628
Total pension liability, beginning	49,294,868	45,534,339	41,421,778	38,718,150
Total pension liability, ending (a)	$ 53,612,546	$ 49,294,868	$ 45,534,339	$ 41,421,778
Fiduciary Net Position				
Contributions - Employer	$ 1,882,874	$ 1,838,580	$ 1,708,397	$ 1,521,211
Contributions - Employee	831,553	812,683	754,021	673,954
Net investment income	5,799,034	3,035,308	5,153,390	(999,066)
Benefit payments/refunds of contributions	(1,486,392)	(1,176,404)	(946,673)	(1,207,565)
Administrative expenses	(26,791)	(19,611)	(29,078)	(19,289)
Other	184	(765)	(874)	(1,008)
Net change in fiduciary net position	7,000,462	4,489,791	6,639,183	(31,763)
Fiduciary net position, beginning	44,415,965	39,926,174	33,286,991	33,318,754
Fiduciary net position, ending (b)	$ 51,416,427	$ 44,415,965	$ 39,926,174	$ 33,286,991
Net pension liability (asset), ending = (a) - (b)	2,196,119	4,878,903	5,608,165	8,134,787
Fiduciary net position as a percentage of total pension liability	95.90%	90.10%	87.68%	80.36%
Covered payroll	$ 11,879,334	$ 11,553,105	$ 10,771,734	$ 9,627,913
Net pension liability as a percentage of covered payroll	18.49%	42.23%	52.06%	84.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
$ 1,674,666	$ 1,636,649	$ 1,614,486	$ 1,444,400
2,468,757	2,244,189	2,163,512	1,994,674
-	-	-	-
(628,235)	409,560	(356,486)	(293,384)
-	-	(252,429)	-
(1,067,764)	(897,171)	(783,303)	(854,227)
2,447,424	3,393,227	2,385,780	2,291,463
36,270,726	32,877,499	30,491,719	28,200,256
$ 38,718,150	$ 36,270,726	$ 32,877,499	$ 30,491,719
$ 1,412,999	$ 1,372,064	$ 1,415,503	$ 1,209,444
642,690	650,021	648,976	604,376
3,942,063	1,730,262	35,841	1,263,034
(1,067,764)	(897,171)	(783,303)	(854,227)
(20,406)	(19,521)	(21,823)	(13,183)
(1,034)	(1,052)	(1,078)	(1,084)
4,908,548	2,834,603	1,294,116	2,208,360
28,410,206	25,575,603	24,281,487	22,073,127
$ 33,318,754	$ 28,410,206	$ 25,575,603	$ 24,281,487
5,399,396	7,860,520	7,301,896	6,210,232
86.05%	78.33%	77.79%	79.63%
$ 9,181,285	$ 8,967,939	$ 9,252,068	$ 8,633,945
58.81%	87.65%	78.92%	71.93%

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 1,188,806	$ 1,188,806	$ -	$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%
2021	1,858,514	1,858,514	-	11,721,580	15.86%
2022	1,950,232	1,950,232	-	12,789,899	15.25%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2022

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability					
Service cost	$ 41,578	$ 33,504	$ 22,621	$ 22,144	$ 18,363
Interest on total OPEB liability	10,559	11,886	13,334	10,940	10,314
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(9,779)	(25,772)	(43,060)	25,487	-
Change of assumptions	19,951	76,774	76,718	(27,870)	28,959
Benefit payments	(7,128)	(2,311)	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	55,181	94,081	67,459	28,775	55,800
Total OPEB liability, beginning	510,714	416,633	349,174	320,399	264,599
Total OPEB liability, ending	$ 565,895	$ 510,714	$ 416,633	$ 349,174	$ 320,399
Covered payroll	$ 11,879,334	$ 11,553,105	$ 10,771,734	$ 9,627,913	$ 9,181,285
Total OPEB liability as a percentage of covered payroll	4.76%	4.42%	3.87%	3.63%	3.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Notes:

There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate*	1.84%
Salary increases	3.50% to 11.50%, including inflation
Retirees' share- benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rate- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rate- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2021.

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
f. All budget amendments received appropriate approval.
g. All budget appropriations lapse at year end.

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 3,356,796	$ 2,333,564	$ 5,690,360
Investments	1,300,385	5,429,381	6,729,766
Receivables (net of allowance)			
Sales taxes	166,733	-	166,733
Interest	90	27	117
Leases	113,682	-	113,682
Miscellaneous	197,345	-	197,345
Prepaid items	14,200	-	14,200
Total assets	$ 5,149,231	$ 7,762,972	$ 12,912,203
Liabilities			
Accounts payable	$ 54,817	$ 418,771	$ 473,588
Accrued liabilities	39,029	-	39,029
Other liabilities	700,043	-	700,043
Unearned revenue	5,731	-	5,731
Total liabilities	799,620	418,771	1,218,391
Deferred Inflows of Resources			
Lease related	112,955	-	112,955
Unavailable revenue	137,407	-	137,407
Total deferred inflows of resources	250,362	-	250,362
Fund Balances			
Nonspendable	14,200	-	14,200
Restricted	3,645,214	4,445,209	8,090,423
Committed	439,835	2,898,992	3,338,827
Total fund balances	4,099,249	7,344,201	11,443,450
Total liabilities, derferred inflows of resources and fund balances	$ 5,149,231	$ 7,762,972	$ 12,912,203

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Sales	$ 964,391	$ -	$ 964,391
Hotel occupancy tax	109,825	-	109,825
Franchise	109,612	-	109,612
Vehicle	42,361	-	42,361
Escrow and impact fees	248,416	-	248,416
Traffic fines and forfeitures	32,887	-	32,887
Police fees and permits	27,049	-	27,049
Parks and recreation fees	83,745	-	83,745
Donations	207,565	60,928	268,493
Interest income	27,515	53,903	81,418
Grants	5,000	-	5,000
Miscellaneous income	35,046	-	35,046
Total revenues	1,893,412	114,831	2,008,243
Expenditures			
Current			
Public safety	583,113	4,024	587,137
Community services	75,621	7,862	83,483
Public works	592,093	40,413	632,506
Planning and community development	-	11,605	11,605
City administration	93,608	90,917	184,525
Finance and administrative services	156,133	-	156,133
Debt service			
Principal	215,135	350,911	566,046
Interest	21,409	45,759	67,168
Issuance costs and fees	-	129,113	129,113
Capital outlay	115,473	4,613,169	4,728,642
Total expenditures	1,852,585	5,293,773	7,146,358
Excess (Deficiency) of Revenues over (under) Expenditures	40,827	(5,178,942)	(5,138,115)
Other Financing Sources (Uses)			
Issuance of leases	-	536,024	536,024
Issuance of bonds	-	4,285,000	4,285,000
Issuance of notes payable	-	2,176,669	2,176,669
Premium on bonds issued	-	344,235	344,235
Proceeds from sale of capital assets	-	28,015	28,015
Transfers out	(436,810)	(453,132)	(889,942)
Transfers in	478,481	1,141,398	1,619,879
Total Other Financing Sources (Uses)	41,671	8,058,209	8,099,880
Net Change in Fund Balance	82,498	2,879,267	2,961,765
Fund Balance - October 1 (Beginning)	4,016,751	4,464,934	8,481,685
Fund Balance - September 30 (Ending)	$ 4,099,249	$ 7,344,201	$ 11,443,450

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Assets			
Cash and cash equivalents	$ 177,590	$ 120,684	$ 255,879
Investments	551,037	649,159	-
Receivables (net of allowance)			
Sales taxes	83,606	-	-
Interest	-	-	-
Leases	-	-	-
Miscellaneous	-	-	18,003
Prepaid items	-	-	-
Total assets	$ 812,233	$ 769,843	$ 273,882
Liabilities			
Accounts payable	$ 12,539	$ 240	$ -
Accrued liabilities	47	-	38,549
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	12,586	240	38,549
Deferred Inflows of Resources			
Lease related	-	-	-
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	799,647	769,603	235,333
Committed	-	-	-
Total fund balances	799,647	769,603	235,333
Total liabilities, deferred inflows of resources and fund balances	$ 812,233	$ 769,843	$ 273,882

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
$ 37,944	$ 19,319	$ 220,349	$ 118,859	$ 32,281
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	24,249	140,712	-	-
-	-	11,834	-	-
$ 37,944	$ 43,568	$ 372,895	$ 118,859	$ 32,281
$ -	$ -	14,736	$ -	$ -
-	433	-	-	-
-	-	-	-	-
-	-	-	-	-
-	433	14,736	-	-
-	-	-	-	-
-	-	137,407	-	-
-	-	137,407	-	-
-	-	11,834	-	-
37,944	43,135	-	118,859	32,281
-	-	208,918	-	-
37,944	43,135	220,752	118,859	32,281
$ 37,944	$ 43,568	$ 372,895	$ 118,859	$ 32,281

(continued on the following page)

	Police Confiscation-State	Parks Development	Community Park Improvement
Assets			
Cash and cash equivalents	$ 20,515	$ 371,610	$ 19,694
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Interest	-	-	-
Leases	-	-	-
Miscellaneous	-	-	-
Prepaid items	-	-	-
Total assets	$ 20,515	$ 371,610	$ 19,694
Liabilities			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Other liabilities	8,884	-	-
Unearned revenue	-	-	-
Total liabilities	8,884	-	-
Deferred Inflows of Resources			
Lease related	-	-	-
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	11,631	371,610	19,694
Committed	-	-	-
Total fund balances	11,631	371,610	19,694
Total liabilities, deferred inflows of resources and fund balances	$ 20,515	$ 371,610	$ 19,694

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
$ 427,252	$ 994,415	$ 105,563	$ 102,202	$ 55,303	$ 46,420
-	-	100,189	-	-	-
-	-	83,127	-	-	-
-	17	-	73	-	-
-	-	-	113,682	-	-
-	-	-	3,440	-	10,941
-	-	2,366	-	-	-
$ 427,252	$ 994,432	$ 291,245	$ 219,397	$ 55,303	$ 57,361
$ -	$ 8,750	$ 1,356	$ 2,815	$ -	$ 14,381
-	-	-	-	-	-
-	691,159	-	-	-	-
-	-	-	5,731	-	-
-	699,909	1,356	8,546	-	14,381
-	-	-	112,955	-	-
-	-	-		-	-
-	-	-	112,955	-	-
-	-	2,366	-	-	-
427,252	294,523	287,523	97,896	55,303	42,980
-	-	-	-	-	-
427,252	294,523	289,889	97,896	55,303	42,980
$ 427,252	$ 994,432	$ 291,245	$ 219,397	$ 55,303	$ 57,361

(continued on the following page)

	Street Rehabilitation	Total Nonmajor Special Revenue Funds
Assets		
Cash and cash equivalents	$ 230,917	$ 3,356,796
Investments	-	1,300,385
Receivables (net of allowance)		
Sales taxes	-	166,733
Interest	-	90
Leases	-	113,682
Miscellaneous	-	197,345
Prepaid items	-	14,200
Total assets	$ 230,917	$ 5,149,231
Liabilities		
Accounts payable	$ -	$ 54,817
Accrued liabilities	-	39,029
Other liabilities	-	700,043
Unearned revenue	-	5,731
Total liabilities	-	799,620
Deferred Inflows of Resources		
Lease related	-	112,955
Unavailable revenue	-	137,407
Total deferred inflows of resources	-	250,362
Fund Balances		
Nonspendable	-	14,200
Restricted	-	3,645,214
Committed	230,917	439,835
Total fund balances	230,917	4,099,249
Total liabilities, deferred inflows of resources and fund balances	$ 230,917	$ 5,149,231

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	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Revenues			
Taxes			
Sales	$ 494,594	$ -	$ -
Hotel occupancy tax	-	-	109,825
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	4,406	5,156	1,188
Grants	5,000	-	-
Miscellaneous income	-	-	-
Total revenues	504,000	5,156	111,013
Expenditures			
Current			
Public safety	194,019	-	-
Community services	-	-	-
Public works	-	479,220	-
City administration	-	-	23,265
Finance and administrative services	-	-	-
Capital outlay	45,829	-	69,644
Debt service			
Principal	215,135	-	-
Interest	21,409	-	-
Total expenditures	476,392	479,220	92,909
Excess (Deficiency) of Revenues over (under) Expenditures	27,608	(474,064)	18,104
Other Financing Sources (Uses)			
Transfers out	-	-	(59,476)
Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	(59,476)
Net Change in Fund Balance	27,608	(474,064)	(41,372)
Fund Balance - October 1 (Beginning)	772,039	1,243,667	276,705
Fund Balance - September 30 (Ending)	$ 799,647	$ 769,603	$ 235,333

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,053	16,635	14,199
-	27,049	-	-	-
-	-	-	-	-
16,085	-	30,330	-	-
189	152	2,050	604	260
-	-	-	-	-
-	-	35,046	-	-
16,274	27,201	69,479	17,239	14,459
-	21,195	35,940	-	-
-	-	-	-	25,633
-	-	1,500	-	-
8,063	-	-	-	-
-	-	156,133	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,063	21,195	193,573	-	25,633
8,211	6,006	(124,094)	17,239	(11,174)
-	-	(146,334)	(12,000)	-
-	-	118,927	-	-
-	-	(27,407)	(12,000)	-
8,211	6,006	(151,501)	5,239	(11,174)
29,733	37,129	372,253	113,620	43,455
$ 37,944	$ 43,135	$ 220,752	$ 118,859	$ 32,281

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	Police Confiscation-State	Parks Development	Community Park Improvement
Revenues			
Taxes			
Sales	$ -	$ -	$ -
Hotel occupancy tax	-	-	-
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	10,175
Donations	-	161,150	-
Interest income	64	1,627	94
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	64	162,777	10,269
Expenditures			
Current			
Public safety	-	-	-
Community services	-	-	-
Public works	-	-	-
City administration	-	-	-
Finance and administrative services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	64	162,777	10,269
Other Financing Sources (Uses)			
Transfers out	-	(189,000)	-
Transfers in	-	50,000	-
Total Other Financing Sources (Uses)	-	(139,000)	-
Net Change in Fund Balance	64	23,777	10,269
Fund Balance - October 1 (Beginning)	11,567	347,833	9,425
Fund Balance - September 30 (Ending)	$ 11,631	$ 371,610	$ 19,694

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
$ -	$ -	$ 469,797	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	109,612	-	-
-	-	-	-	-	42,361
-	248,416	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
73,570	-	-	-	-	-
-	-	-	-	-	-
2,365	4,868	1,130	1,533	302	42
-	-	-	-	-	-
-	-	-	-	-	-
75,935	253,284	470,927	111,145	302	42,403
-	-	331,959	-	-	-
49,988	-	-	-	-	-
-	31,251	-	-	-	-
-	34,500	-	27,780	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
49,988	65,751	331,959	27,780	-	-
25,947	187,533	138,968	83,365	302	42,403
-	-	(30,000)	-	-	-
-	-	-	-	-	-
-	-	(30,000)	-	-	-
25,947	187,533	108,968	83,365	302	42,403
401,305	106,990	180,921	14,531	55,001	577
$ 427,252	$ 294,523	$ 289,889	$ 97,896	$ 55,303	$ 42,980

(continued on the following page)

	Street Rehabilitation	Total Nonmajor Special Revenue Funds
Revenues		
Taxes		
Sales	$ -	$ 964,391
Hotel occupancy tax	-	109,825
Franchise	-	109,612
Vehicle	-	42,361
Escrow and impact fees	-	248,416
Traffic fines & forfeitures	-	32,887
Police fees & permits	-	27,049
Parks & recreation fees	-	83,745
Donations	-	207,565
Interest income	1,485	27,515
Grants	-	5,000
Miscellaneous income	-	35,046
Total revenues	1,485	1,893,412
Expenditures		
Current		
Public safety	-	583,113
Community services		75,621
Public works	80,122	592,093
City administration	-	93,608
Finance and administrative services	-	156,133
Capital outlay	-	115,473
Debt service		
Principal	-	215,135
Interest	-	21,409
Total expenditures	80,122	1,852,585
Excess (Deficiency) of Revenues over Expenditures	(78,637)	40,827
Other Financing Sources (Uses)		
Transfers out	-	(436,810)
Transfers in	309,554	478,481
Total Other Financing Sources (Uses)	309,554	41,671
Net Change in Fund Balance	230,917	82,498
Fund Balance - October 1 (Beginning)	-	4,016,751
Fund Balance - September 30 (Ending)	$ 230,917	$ 4,099,249

(concluded)

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Sales	$ 421,465	$ 421,465	$ 494,594	$ 73,129
Interest income	2,000	2,000	4,406	2,406
Grants	-	-	5,000	5,000
Total revenues	423,465	423,465	504,000	80,535
Expenditures				
Current				
Public safety	210,113	203,720	194,019	9,701
Capital outlay	52,750	45,850	45,829	21
Debt service				
Principal	196,960	210,253	215,135	(4,882)
Interest	21,049	21,049	21,409	(360)
Total expenditures	480,872	480,872	476,392	4,480
Net Change in Fund Balance	(57,407)	(57,407)	27,608	85,015
Fund Balance - October 1 (Beginning)	772,039	772,039	772,039	-
Fund Balance - September 30 (Ending)	$ 714,632	$ 714,632	$ 799,647	$ 85,015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Interest income	$ 1,500	$ 1,500	$ 5,156	$ 3,656
Total revenues	1,500	1,500	5,156	3,656
Expenditures				
Current				
Public works	551,882	551,882	479,220	72,662
Capital outlay	7,800	7,800	-	7,800
Total expenditures	559,682	559,682	479,220	80,462
Net Change in Fund Balance	(558,182)	(558,182)	(474,064)	84,118
Fund Balance - October 1 (Beginning)	1,243,667	1,243,667	1,243,667	-
Fund Balance - September 30 (Ending)	$ 685,485	$ 685,485	$ 769,603	$ 84,118

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Hotel occupancy tax	$ 100,000	$ 100,000	$ 109,825	$ 9,825
Interest income	1,500	1,500	1,188	(312)
Total revenues	101,500	101,500	111,013	9,513
Expenditures				
Current				
City administration	26,594	26,594	23,265	3,329
Capital outlay	104,000	104,000	69,644	34,356
Total expenditures	130,594	130,594	92,909	37,685
Excess (Deficiency) of Revenues over Expenditures	(29,094)	(29,094)	18,104	47,198
Other Financing Sources (Uses)				
Transfers out	(59,476)	(59,476)	(59,476)	-
Total Other Financing Sources (Uses)	(59,476)	(59,476)	(59,476)	-
Net Change in Fund Balance	(88,570)	(88,570)	(41,372)	47,198
Fund Balance - October 1 (Beginning)	276,705	276,705	276,705	-
Fund Balance - September 30 (Ending)	$ 188,135	$ 188,135	$ 235,333	$ 47,198

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Donations	$ 9,000	$ 9,000	$ 16,085	$ 7,085
Interest income	-	-	189	189
Total revenues	9,000	9,000	16,274	7,274
Expenditures				
Current				
City administration	9,000	9,000	8,063	937
Total expenditures	9,000	9,000	8,063	937
Net Change in Fund Balance	-	-	8,211	8,211
Fund Balance - October 1 (Beginning)	29,733	29,733	29,733	-
Fund Balance - September 30 (Ending)	$ 29,733	$ 29,733	$ 37,944	$ 8,211

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Police fees and permits	$ 29,500	$ 29,500	$ 27,049	$ (2,451)
Interest income	-	-	152	152
Total revenues	29,500	29,500	27,201	(2,299)
Expenditures				
Current				
Public safety	29,500	29,500	21,195	8,305
Total expenditures	29,500	29,500	21,195	8,305
Net Change in Fund Balance	-	-	6,006	6,006
Fund Balance - October 1 (Beginning)	37,129	37,129	37,129	-
Fund Balance - September 30 (Ending)	$ 37,129	$ 37,129	$ 43,135	$ 6,006

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Traffic fines and forfeitures	$ 15,000	$ 15,000	$ 16,635	$ 1,635
Interest income	-	-	604	604
Total revenues	15,000	15,000	17,239	2,239
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	15,000	15,000	17,239	2,239
Other Financing Sources (Uses)				
Transfers in	(12,000)	(12,000)	(12,000)	-
Total Other Financing Sources (Uses)	(12,000)	(12,000)	(12,000)	-
Net Change in Fund Balance	3,000	3,000	5,239	2,239
Fund Balance - October 1 (Beginning)	113,620	113,620	113,620	-
Fund Balance - September 30 (Ending)	$ 116,620	$ 116,620	$ 118,859	$ 2,239

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Traffic fines and forfeitures	$ 15,000	$ 15,000	$ 14,199	$ (801)
Interest income	-	-	260	260
Total revenues	15,000	15,000	14,459	(541)
Expenditures				
Current				
Community services	27,000	25,633	25,633	-
Capital outlay	-	1,367	-	1,367
Total expenditures	27,000	27,000	25,633	1,367
Net Change in Fund Balance	(12,000)	(12,000)	(11,174)	826
Fund Balance - October 1 (Beginning)	43,455	43,455	43,455	-
Fund Balance - September 30 (Ending)	$ 31,455	$ 31,455	$ 32,281	$ 826

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Interest income	$ -	$ -	$ 64	$ 64
Miscellaneous income	27,319	27,319	-	(27,319)
Total revenues	27,319	27,319	64	(27,255)
Expenditures				
Current				
Public safety	27,053	27,053	-	27,053
Total expenditures	27,053	27,053	-	27,053
Net Change in Fund Balance	266	266	64	(202)
Fund Balance - October 1 (Beginning)	11,567	11,567	11,567	-
Fund Balance - September 30 (Ending)	$ 11,833	$ 11,833	$ 11,631	$ (202)

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Donations	$ -	$ -	$ 161,150	$ 161,150
Interest income	-	-	1,627	1,627
Total revenues	-	-	162,777	162,777
Expenditures				
Current				
Community services	12,500	-	-	-
Capital outlay	176,500	-	-	-
Total expenditures	189,000	-	-	-
Excess (Deficiency) of Revenues over Expenditures	(189,000)	-	162,777	162,777
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	(189,000)	(189,000)	-
Total Other Financing Sources (Uses)	50,000	(139,000)	(139,000)	-
Net Change in Fund Balance	(139,000)	(139,000)	23,777	162,777
Fund Balance - October 1 (Beginning)	347,833	347,833	347,833	-
Fund Balance - September 30 (Ending)	$ 208,833	$ 208,833	$ 371,610	$ 162,777

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Parks and recreation fees	$ 6,875	$ 6,875	$ 10,175	$ 3,300
Donations	10,000	10,000	-	(10,000)
Interest income	-	-	94	94
Total revenues	16,875	16,875	10,269	(6,606)
Expenditures				
Current				
Community services	10,000	10,000	-	10,000
Capital outlay	9,510	9,510	-	9,510
Total expenditures	19,510	19,510	-	19,510
Net Change in Fund Balance	(2,635)	(2,635)	10,269	12,904
Fund Balance - October 1 (Beginning)	9,425	9,425	9,425	-
Fund Balance - September 30 (Ending)	$ 6,790	$ 6,790	$ 19,694	$ 12,904

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Parks & recreation fees	$ -	$ -	$ 73,570	$ 73,570
Interest income	-	-	2,365	2,365
Total revenues	-	-	75,935	75,935
Expenditures				
Current				
Community services	50,000	50,000	49,988	12
Total expenditures	50,000	50,000	49,988	12
Net Change in Fund Balance	(50,000)	(50,000)	25,947	75,947
Fund Balance - October 1 (Beginning)	401,305	401,305	401,305	-
Fund Balance - September 30 (Ending)	$ 351,305	$ 351,305	$ 427,252	$ 75,947

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Escrow and impact fees	$ -	$ -	$ 248,416	$ 248,416
Interest income	-	-	4,868	4,868
Total revenues	-	-	253,284	253,284
Expenditures				
Public works	100,000	100,000	31,251	68,749
City administration	-	34,500	34,500	-
Total expenditures	100,000	134,500	65,751	68,749
Net Change in Fund Balance	(100,000)	(134,500)	187,533	322,033
Fund Balance - October 1 (Beginning)	106,990	106,990	106,990	-
Fund Balance - September 30 (Ending)	$ 6,990	$ (27,510)	$ 294,523	$ 322,033

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Sales	$ 465,615	$ 465,615	$ 469,797	$ 4,182
Interest income	1,000	1,000	1,130	130
Total revenues	466,615	466,615	470,927	4,312
Expenditures				
Current				
Public safety	433,676	433,676	331,959	101,717
Capital outlay	8,500	8,500	-	8,500
Total expenditures	442,176	442,176	331,959	110,217
Excess (Deficiency) of Revenues over Expenditures	24,439	24,439	138,968	114,529
Other Financing Sources (Uses)				
Transfers out	-	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	-	(30,000)	(30,000)	-
Net Change in Fund Balance	24,439	(5,561)	108,968	114,529
Fund Balance - October 1 (Beginning)	180,921	180,921	180,921	-
Fund Balance - September 30 (Ending)	$ 205,360	$ 175,360	$ 289,889	$ 114,529

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Franchise	$ 102,500	$ 102,500	$ 109,612	$ 7,112
Interest income	-	-	1,533	1,533
Total revenues	102,500	102,500	111,145	8,645
Expenditures				
City administration	-	27,780	27,780	-
Capital outlay	27,780	-	-	-
Total expenditures	27,780	27,780	27,780	-
Net Change in Fund Balance	74,720	74,720	83,365	8,645
Fund Balance - October 1 (Beginning)	14,531	14,531	14,531	-
Fund Balance - September 30 (Ending)	$ 89,251	$ 89,251	$ 97,896	$ 8,645

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Interest income	$ -	$ -	$ 302	$ 302
Total revenues	-	-	302	302
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	-	-	302	302
Fund Balance - October 1 (Beginning)	55,001	55,001	55,001	-
Fund Balance - September 30 (Ending)	$ 55,001	$ 55,001	$ 55,303	$ 302

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Vehicle	$ 75,000	$ 75,000	$ 42,361	$ (32,639)
Interest income	-	-	42	42
Total revenues	75,000	75,000	42,403	(32,597)
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	75,000	75,000	42,403	(32,597)
Fund Balance - October 1 (Beginning)	577	577	577	-
Fund Balance - September 30 (Ending)	$ 75,577	$ 75,577	$ 42,980	$ (32,597)

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Interest income	$ -	$ -	$ 1,485	$ 1,485
Total revenues	-	-	1,485	1,485
Expenditures				
Current				
Public works	100,000	100,000	80,122	19,878
Total expenditures	100,000	100,000	80,122	19,878
Excess (Deficiency) of Revenues over Expenditures	(100,000)	(100,000)	(78,637)	21,363
Other Financing Sources (Uses)				
Transfers in	309,554	309,554	309,554	-
Total Other Financing Sources (Uses)	309,554	309,554	309,554	-
Net Change in Fund Balance	209,554	209,554	230,917	21,363
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	$ 209,554	$ 209,554	$ 230,917	$ 21,363

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 3,635,080	$ 3,635,080	$ 3,622,216	$ (12,864)
Interest Income	-	-	9,121	9,121
Miscellaneous	-	-	438,381	438,381
Total revenues	3,635,080	3,635,080	4,069,718	434,638
Expenditures				
Debt Service:				
Principal	2,492,657	2,497,657	2,801,239	(303,582)
Interest	1,817,844	1,812,844	1,491,221	321,623
Bond fees	10,000	10,000	2,630	7,370
Total expenditures	4,320,501	4,320,501	4,295,090	25,411
Excess (Deficiency) of Revenues over Expenditures	(685,421)	(685,421)	(225,372)	460,049
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Transfers in	735,433	735,433	297,052	(438,381)
Total Other Financing Sources (Uses)	735,433	735,433	297,052	(438,381)
Net Change in Fund Balance	50,012	50,012	71,680	21,668
Fund Balance - October 1 (Beginning)	546,169	546,169	546,169	-
Fund Balance - September 30 (Ending)	$ 596,181	$ 596,181	$ 617,849	$ 21,668

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	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Assets				
Cash and cash equivalents	$ 531,999	$ 292,636	$ 252,865	$ 428,585
Investments	1,211,704	-	-	-
Receivables (net of allowance)				
Interest	-	-	-	-
Total assets	$ 1,743,703	$ 292,636	$ 252,865	$ 428,585
Liabilities				
Accounts payable	$ 136,610	$ -	$ -	$ -
Total liabilities	136,610	-	-	-
Fund Balances				
Restricted	-	-	-	-
Committed	1,607,093	292,636	252,865	428,585
Total fund balances	1,607,093	292,636	252,865	428,585
Total Liabilities and Fund Balances	$ 1,743,703	$ 292,636	$ 252,865	$ 428,585

Street Escrow	2016 CO Fund	2017 CO Fund	2021A CO Fund	LCFD Public Property
$ -	$ 137,045	$ 167,453	$ 205,168	$ 317,813
-	299,737	-	3,917,940	-
-	27	-	-	-
$ -	$ 436,809	$ 167,453	$ 4,123,108	$ 317,813
$ -	$ 9,161	$ -	$ 273,000	$ -
-	9,161	-	273,000	-
-	427,648	167,453	3,850,108	-
-	-	-	-	317,813
-	427,648	167,453	3,850,108	317,813
$ -	$ 436,809	$ 167,453	$ 4,123,108	$ 317,813

(continued on the following page)

	General Public Property for Special Revenue	Total Nonmajor Capital Projects Funds
Assets		
Cash and cash equivalents	$ -	$ 2,333,564
Investments	-	5,429,381
Receivables (net of allowance)		
Interest	-	27
Total assets	$ -	$ 7,762,972
Liabilities		
Accounts payable	$ -	$ 418,771
Total liabilities	-	418,771
Fund Balances		
Restricted	-	4,445,209
Committed	-	2,898,992
Total fund balances	-	7,344,201
Total Liabilities and Fund Balances	$ -	$ 7,762,972

(concluded)

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	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Donations	$ 60,000	$ -	$ -	$ 928
Interest income	11,412	1,564	2,561	2,563
Miscellaneous	-	-	-	-
Total revenues	71,412	1,564	2,561	3,491
Expenditures				
Current				
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	40,413	-	-	-
Planning and community development	11,605	-	-	-
City administration	35,978	-	-	54,939
Debt service				
Principal	-	-	350,911	-
Interest	-	-	45,759	-
Issuance costs and fees	-	-	-	-
Capital outlay	888,271	-	226,410	15,589
Total expenditures	976,267	-	623,080	70,528
Excess (Deficiency) of Revenues over (under) Expenditures	(904,855)	1,564	(620,519)	(67,037)
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	-
Issuance of bonds	-	-	-	-
Issuance of notes payable	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	28,015	-	-
Transfers out	(46,626)	-	-	-
Transfers in	594,239	-	350,001	197,158
Total Other Financing Sources (Uses)	547,613	28,015	350,001	197,158
Net Change in Fund Balance	(357,242)	29,579	(270,518)	130,121
Fund Balance - October 1 (Beginning)	1,964,335	263,057	523,383	298,464
Fund Balance - September 30 (Ending)	$ 1,607,093	$ 292,636	$ 252,865	$ 428,585

Street Escrow	2016 CO Fund	2017 CO Fund	2021A CO Fund	LCFD Public Property
$ -	$ -	$ -	$ -	$ -
-	1,611	1,205	31,410	1,577
-	-	-	-	-
-	1,611	1,205	31,410	1,577
-	-	4,024	-	-
-	-	-	7,862	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	129,113	-
-	30,135	66,509	673,562	1,585,000
-	30,135	70,533	810,537	1,585,000
-	(28,524)	(69,328)	(779,127)	(1,583,423)
-	-	-	-	-
-	-	-	4,285,000	-
-	-	-	-	1,585,000
-	-	-	344,235	-
-	-	-	-	-
(158,860)	(188,197)	(59,449)	-	-
-	-	-	-	-
(158,860)	(188,197)	(59,449)	4,629,235	1,585,000
(158,860)	(216,721)	(128,777)	3,850,108	1,577
158,860	644,369	296,230	-	316,236
$ -	$ 427,648	$ 167,453	$ 3,850,108	$ 317,813

(continued on the following page)

	General Public Property for Special Revenue	Total Nonmajor Capital Projects Funds
Revenues		
Donations	$ -	$ 60,928
Interest income	-	53,903
Miscellaneous	-	-
Total revenues	-	114,831
Expenditures		
Current		
Public safety	-	4,024
Community services	-	7,862
Public works	-	40,413
Planning and community development	-	11,605
City administration	-	90,917
Debt service		
Principal	-	350,911
Interest	-	45,759
Issuance costs and fees	-	129,113
Capital outlay	1,127,693	4,613,169
Total expenditures	1,127,693	5,293,773
Excess (Deficiency) of Revenues over (under) Expenditures	(1,127,693)	(5,178,942)
Other Financing Sources (Uses)		
Issuance of leases	536,024	536,024
Issuance of bonds	-	4,285,000
Issuance of notes payable	591,669	2,176,669
Premium on bonds issued	-	344,235
Proceeds from sale of capital assets	-	28,015
Transfers out	-	(453,132)
Transfers in	-	1,141,398
Total Other Financing Sources (Uses)	1,127,693	8,058,209
Net Change in Fund Balance	-	2,879,267
Fund Balance - October 1 (Beginning)	-	4,464,934
Fund Balance - September 30 (Ending)	$ -	$ 7,344,201

(concluded)

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Assets			
Cash and cash equivalents	$ 812,488	$ 72,967	$ 885,455
Investments	195,163	-	195,163
Receivables (net of allowance)			
Sales taxes	186,022	-	186,022
Total assets	$ 1,193,673	$ 72,967	$ 1,266,640
Liabilities			
Accounts payable	$ 5,709	$ -	$ 5,709
Accrued liabilities	23,266	-	23,266
Total liabilities	28,975	-	28,975
Fund Balances			
Restricted for economic development	1,164,698	72,967	1,237,665
Total fund balances	1,164,698	72,967	1,237,665
Total liabilities and fund balances	$ 1,193,673	$ 72,967	$ 1,266,640

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Total Fund Balances - Component Units (CU)	$ 1,164,698	$ 72,967
Amounts reported for CU in the statement of net position are different because:		
Capital assets used in CU are not current financial resources and therefore are not reported in the balance sheet.	4,313,348	3,087,601
Included in liabilities is the recognition of the CU's net pension liability in the amount of $29,420, a deferred inflow of resources of $32,416 and a deferred outflow of resources of $19,290. This results in a decrease in net position.	(42,546)	-
Included in liabilities is the recognition of the CU's total OPEB liability in the amount of $6,038, a deferred inflow of resources of $630, and a deferred outflow of resources of $1,486. This results in a decrease in net position.	(5,182)	-
Net Position of Component Units	$ 5,430,318	$ 3,160,568

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Revenues			
Taxes			
Sales	$ 1,057,099	$ -	$ 1,057,099
Interest income	3,281	466	3,747
Donations	-	681,218	681,218
Miscellaneous income	-	25,001	25,001
Total revenues	1,060,380	706,685	1,767,065
Expenditures			
Current			
Planning and community development	779,191	-	779,191
Capital outlay	-	1,031,219	1,031,219
Total expenditures	779,191	1,031,219	1,810,410
Excess (Deficiency) of Revenues over (under) Expenditures	281,189	(324,534)	(43,345)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balance	281,189	(324,534)	(43,345)
Fund Balance - October 1 (Beginning)	883,509	397,501	1,281,010
Fund Balance - September 30 (Ending)	$ 1,164,698	$ 72,967	$ 1,237,665

City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units to the Statement of Activities (Exhibit C-28)
Year Ended September 30, 2022

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Net Change in Fund Balances - Component Units (CU)	$ 281,189	$ (324,534)
Amounts reported for CU in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they, are shown as increases in capital assets in the government-wide financial statements.	-	1,031,219
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of $14,238. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's pension expense must be recognized. These cause the change in net position to decrease in the amount of $1,011.	13,227	-
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of $148. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of $756.	(608)	-
Change in Net Position of Component Units	$ 293,808	$ 706,685

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Corinth, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables D-1 – D-5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables D-6 – D-12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables D-13 – D-16)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments. (Tables D-17 – D-19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables D-20 – D-21)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Governmental Activities	**2013**	**2014**	**2015**	**2016**
Net Investment in Capital Assets	$ 37,401,599	$ 36,991,003	$ 37,162,807	$ 35,967,465
Restricted	3,776,495	4,078,719	1,066,371	1,759,359
Unrestricted	5,660,613	4,522,015	1,767,508	1,817,109
Total Governmental Activities Net Position	$ 46,838,707	$ 45,591,737	$ 39,996,686	$ 39,543,933
Business-type Activities				
Net Investment in Capital Assets	$ 21,661,416	$ 21,552,151	$ 21,568,651	$ 21,537,921
Restricted	-	-	645,963	647,502
Unrestricted	6,897,008	6,250,406	4,856,975	4,285,029
Total Business-Type Activities Net Position	$ 28,558,424	$ 27,802,557	$ 27,071,589	$ 26,470,452
Primary Government				
Net Investment in Capital Assets	$ 59,063,015	$ 58,543,154	$ 58,731,458	$ 57,505,386
Restricted	3,776,495	4,078,719	1,712,334	2,406,861
Unrestricted	12,557,621	10,772,421	6,624,483	6,102,138
Total Primary Government Net Position	$ 75,397,131	$ 73,394,294	$ 67,068,275	$ 66,014,385

Note:
Governmental Activities:
2015 restated for implementation of GASB 68.

Business-type Activities:
2015 restated for implementation of GASB 68.

TABLE D-1

2017	2018	2019	2020	2021	2022
$ 35,025,019	$ 35,039,143	$ 33,452,733	$ 34,592,990	$ 33,285,776	$ 35,071,832
2,600,794	2,830,975	3,031,918	3,314,583	4,223,592	4,052,217
3,328,479	3,038,070	3,584,935	4,478,248	3,676,730	5,394,533
$ 40,954,292	$ 40,908,188	$ 40,069,586	$ 42,385,821	$ 41,186,098	$ 44,518,582
$ 21,633,740	$ 23,453,132	$ 24,556,072	$ 23,942,064	$ 23,198,149	$ 24,050,367
1,127,099	1,295,181	1,162,172	792,236	1,183,413	1,779,473
5,523,850	5,059,830	5,471,344	5,572,010	7,217,532	9,241,833
$ 28,284,689	$ 29,808,143	$ 31,189,588	$ 30,306,310	$ 31,599,094	$ 35,071,673
$ 56,658,759	$ 58,492,275	$ 58,008,805	$ 58,535,054	$ 56,483,925	$ 59,122,199
3,727,893	4,126,156	4,194,090	4,106,819	5,407,005	5,831,690
8,852,329	8,097,900	9,056,279	10,050,258	10,894,262	14,636,366
$ 69,238,981	$ 70,716,331	$ 71,259,174	$ 72,692,131	$ 72,785,192	$ 79,590,255

CITY OF CORINTH, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	**2013**	**2014**	**2015**	**2016**
Governmental Activities:				
Public Safety	$ 8,188,441	$ 8,558,062	$ 8,937,222	$ 9,331,392
Community Services	1,740,402	1,735,618	1,855,018	1,734,299
Public Works	4,726,964	4,655,417	4,661,909	4,471,115
Planning & Development	731,234	715,554	860,549	1,013,413
City Administration	1,631,852	1,854,669	1,873,459	2,032,778
Financial Services	662,238	665,351	746,482	878,384
Interest on Long-Term Debt	743,848	702,883	613,346	747,838
Total Governmental Activities Expenses	18,424,979	18,887,554	19,547,985	20,209,219
Business-Type Activities:				
Water & Wastewater	10,429,711	10,645,670	11,107,570	12,157,058
Storm Water Utility	515,487	571,624	540,217	525,740
Total Business-Type Activities Expenses	10,945,198	11,217,294	11,647,787	12,682,798
Total Primary Government Expenses	$ 29,370,177	$ 30,104,848	$ 31,195,772	$ 32,892,017
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	$ 3,316,940	$ 3,595,280	$ 3,516,328	$ 3,960,494
Community Services	312,490	377,982	230,940	206,560
Public Works	25,895	111,242	209,723	59,205
Planning & Development	342,817	488,706	647,336	540,906
City Administration	-	94,979	92,142	105,401
Operating Grants & Contributions	144,879	284,954	299,613	189,114
Capital Grants & Contributions	551,016	-	380,748	332,872
Total Governmental Activities Program	4,694,037	4,953,143	5,376,830	5,394,552
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	11,582,827	10,648,512	10,991,068	11,047,722
Storm Water Utility	667,215	680,128	692,943	703,783
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	192,927	176,068	607,013	1,448,393
Total Business-Type Activities Program	12,442,969	11,504,708	12,291,024	13,199,898
Total Primary Government Program	$ 17,137,006	$ 16,457,851	$ 17,667,854	$ 18,594,450
Net (Expense)/Revenue				
Governmental Activities	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)	$ (14,814,667)
Business-Type Activities	1,497,771	287,414	643,237	517,100
Total Primary Government Net Expense	$ (12,233,171)	$ (13,646,997)	$ (13,527,918)	$ (14,297,567)

Note:
2015 restated for implementation of GASB 68.

2017	2018	2019	2020	2021	2022
$ 10,464,824	$ 12,945,976	$ 13,272,969	$ 11,917,879	$ 12,059,685	$ 12,229,945
1,533,030	1,511,542	1,445,580	1,612,246	2,062,111	2,172,726
4,534,197	1,595,297	2,915,701	4,425,877	4,076,489	5,273,963
857,360	1,034,510	1,169,750	1,229,618	1,041,345	864,967
1,940,255	2,128,443	2,660,731	2,592,272	5,612,646	4,482,255
888,324	886,880	1,026,613	1,105,611	987,844	1,192,590
844,665	828,591	1,201,636	1,126,076	1,886,621	1,338,507
21,062,655	20,931,239	23,692,980	24,009,579	27,726,741	27,554,953
12,098,839	12,342,091	12,540,351	13,227,342	13,184,689	14,129,665
517,412	560,241	664,736	678,058	665,081	660,768
12,616,251	12,902,332	13,205,087	13,905,400	13,849,770	14,790,433
$ 33,678,906	$ 33,833,571	$ 36,898,067	$ 37,914,979	$ 41,576,511	$ 42,345,386
$ 3,934,109	$ 3,351,543	$ 4,557,446	$ 3,533,674	$ 3,991,353	$ 5,090,198
210,498	234,622	353,124	102,516	261,673	217,686
156,559	207,711	554,556	203,658	211,992	248,416
1,200,712	749,678	475,134	664,502	671,772	1,096,154
93,302	83,042	54,317	100,472	130,063	97,337
97,506	277,286	370,016	1,528,396	713,760	802,798
1,630,239	1,266,428	810,401	1,258,616	1,437,849	3,426,005
7,322,925	6,170,310	7,174,994	7,391,834	7,418,462	10,978,594
11,332,588	13,152,059	12,250,426	12,662,764	14,020,111	15,360,377
727,197	719,458	727,497	737,609	731,067	846,546
-	-	-	-	50,935	10,187
2,997,195	937,813	1,320,436	1,073,307	975,552	2,565,707
15,056,980	14,809,330	14,298,359	14,473,680	15,777,665	18,782,817
$ 22,379,905	$ 20,979,640	$ 21,473,353	$ 21,865,514	$ 23,196,127	$ 29,761,411
$ (13,739,730)	$ (14,760,929)	$ (16,517,986)	$ (16,617,745)	$ (20,308,279)	$ (16,576,359)
2,440,729	1,906,998	1,093,272	568,280	1,927,895	3,992,384
$ (11,299,001)	$ (12,853,931)	$ (15,424,714)	$ (16,049,465)	$ (18,380,384)	$ (12,583,975)

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	**2013**	**2014**	**2015**	**2016**
Governmental Activities	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)	$ (14,814,667)
Business-Type Activities	1,497,771	287,414	643,237	517,100
Total Primary Government Net Expense	(12,233,171)	(13,646,997)	(13,527,918)	(14,297,567)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	8,501,824	8,674,195	9,291,409	9,663,535
Sales Taxes	1,728,567	1,822,924	1,889,020	2,023,059
Franchise Taxes	967,846	1,039,646	1,074,217	1,068,910
Hotel Occupancy Taxes	-	-	67,833	79,007
Vehicle Taxes	-	-	-	-
Miscellaneous	38,121	13,925	45,685	237,674
Investment Earnings	49,427	53,968	55,043	87,433
Gain (Loss) on sale of Capital Assets	-	-	14,712	43,222
Special Item Outflow	8,556	-	-	-
Transfers	986,679	1,082,783	778,956	1,159,074
Total Governmental Activities	12,281,020	12,687,441	13,216,875	14,361,914
Business-Type Activities:				
Miscellaneous	5,145	10,216	(391)	4,741
Investment Earnings	42,290	29,280	18,423	26,328
Gain (Loss) on sale of Capital Assets	-	-	5,333	9,768
Transfers	(986,679)	(1,082,783)	(778,956)	(1,159,074)
Total Business-Type Activities	(939,244)	(1,043,287)	(755,591)	(1,118,237)
Total Primary Government	$ 11,341,776	$ 11,644,154	$ 12,461,284	$ 13,243,677
Change in Net Position				
Governmental Activities	(1,449,922)	(1,246,970)	(954,280)	(452,753)
Business-Type Activities	558,527	(755,873)	(112,354)	(601,137)
Total Primary Government	$ (891,395)	$ (2,002,843)	$ (1,066,634)	$ (1,053,890)

Note:
2012 is restated for implementation of GASB 63 and GASB 65.
Hotel Occupancy Tax was previously reported in the Sales Tax category.
Note: This information is presented using the accrual basis of accounting.

2017	2018	2019	2020	2021	2022
$ (13,739,730)	$ (14,760,929)	$ (16,517,986)	$ (16,617,745)	$ (20,308,279)	$ (16,576,359)
2,440,729	1,906,998	1,093,272	568,280	1,927,895	3,992,384
(11,299,001)	(12,853,931)	(15,424,714)	(16,049,465)	(18,380,384)	(12,583,975)
10,629,143	10,587,532	11,514,505	12,974,859	14,134,421	14,683,023
2,253,805	2,370,316	2,463,471	2,635,407	2,743,610	3,091,696
1,073,789	1,120,653	1,083,553	1,195,130	1,048,013	1,283,833
77,673	61,181	82,835	71,707	77,878	109,825
-	-	-	-	577	42,361
204,231	251,014	(806)	10,436	23,831	98,336
228,971	57,042	455,456	335,182	104,170	(53,482)
3,497	94,205	-	54,204	199,726	40,314
-	-	-	-	-	-
678,980	498,018	80,370	1,657,055	776,330	612,937
15,150,089	15,039,961	15,679,384	18,933,980	19,108,556	19,908,843
7,600	94,664	28,674	1,269	3,038	23,058
43,692	6,748	263,798	203,839	44,066	70,074
1,196	42,141	76,071	389	94,115	-
(678,980)	(498,018)	(80,370)	(1,657,055)	(776,330)	(612,937)
(626,492)	(354,465)	288,173	(1,451,558)	(635,111)	(519,805)
$ 14,523,597	$ 14,685,496	$ 15,967,557	$ 17,482,422	$ 18,473,445	$ 19,389,038
1,410,359	279,032	(838,602)	2,316,235	(1,199,723)	3,332,484
1,814,237	1,552,533	1,381,445	(883,278)	1,292,784	3,472,579
$ 3,224,596	$ 1,831,565	$ 542,843	$ 1,432,957	$ 93,061	$ 6,805,063

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

General Fund	**2013**	**2014**	**2015**	**2016**
Non-Spendable	$ 211,465	$ 222,652	$ 244,486	$ 439,146
Unassigned	3,950,657	3,587,445	3,482,449	3,295,962
Total General Fund	$ 4,162,122	$ 3,810,097	$ 3,726,935	$ 3,735,108

All Other Governmental Funds				
Non-Spendable	$ -	$ -	$ -	$ -
Restricted	2,199,692.00	1,143,608.00	1,155,506.00	13,370,197.00
Committed	3,286,748	4,067,270	2,946,280	2,623,387
Unassigned	(441,149)	(579,436)	(480,444)	(442,236)
Total all other Governmental Funds	$ 5,045,291	$ 4,631,442	$ 3,621,342	$ 15,551,348

TABLE D-4

2017	2018	2019	2020	2021	2022
$ 195,750	$ 251,776	$ 155,611	$ 143,205	$ 24,854	$ 17,727
5,243,056	5,184,229	4,929,660	6,278,671	4,333,241	5,163,572
$ 5,438,806	$ 5,436,005	$ 5,085,271	$ 6,421,876	$ 4,358,095	$ 5,181,299
$ -	$ -	$ -	$ -	$ -	$ 14,200
14,479,349.00	5,873,511.00	16,539,952.00	19,529,962.00	31,322,723.00	31,064,231.00
2,703,352	3,156,896	3,485,998	3,570,833	3,897,165	3,338,827
(298,848)	(389,299)	-	(234,548)	-	-
$ 16,883,853	$ 8,641,108	$ 20,025,950	$ 22,866,247	$ 35,219,888	$ 34,417,258

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Revenues	**2013**	**2014**	**2015**	**2016**
Taxes	$ 11,210,497	$ 11,538,485	$ 12,329,258	$ 12,807,008
Licenses, Fees and Permits	285,165	903,407	1,050,172	797,332
Fines & Penalties	974,231	723,174	682,284	712,852
Charges for Services	2,534,668	2,826,329	3,132,880	3,159,963
Investment Earnings	49,427	53,967	55,043	87,433
Donations	571,827	89,514	96,633	186,220
Other Revenues	190,849	82,083	123,070	292,949
Total Revenues	15,816,664	16,216,959	17,469,340	18,043,757
Expenditures				
Public Safety	8,393,476	9,422,471	9,167,774	9,702,983
Community Services	2,113,911	2,405,814	1,765,661	1,507,526
Public Works	878,847	1,483,829	2,600,403	1,721,981
Planning & Development	727,249	718,253	871,281	981,151
City Administration	1,591,760	1,636,334	1,766,937	2,173,809
Finance Services	655,646	652,321	732,037	862,114
Capital Outlay	27,648	-	-	3,727,303
Debt Service				
Principal	1,743,686	1,892,482	1,836,489	1,806,587
Interest	756,738	694,004	627,358	784,585
Bond Issuance Costs	-	-	-	-
Total Expenditures	16,888,961	18,905,508	19,367,940	23,268,039
Other Financing Sources (Uses)				
Bonds Issued	-	-	-	17,116,713
Payments to Escrow Agent	-	-	-	(1,179,213)
Bond Premium/Discount	-	-	-	-
Capital Lease	-	-	-	-
Notes Payable	-	-	-	-
Sale of Capital Assets	-	839,890	26,382	65,887
Transfers In/Out	986,679	1,082,783	778,956	1,159,074
Total Other Financing Sources (Uses)	986,679	1,922,673	805,338	17,162,461
Net Change in Fund Balances	$ (85,618)	$ (765,876)	$ (1,093,262)	$ 11,938,179
Debt service as a percentage of noncapital expenditures	18.23%	16.04%	15.03%	15.45%

The Debt Service ratio to noncapital expenditures is calculated by dividing debt service expenditures (principal and interest) by noncapital expenditures (Exhibit A-6).

TABLE D-5

2017	2018	2019	2020	2021	2022
$ 14,034,768	$ 14,100,926	$ 15,198,411	$ 16,817,677	$ 17,920,034	$ 19,206,995
1,557,520	1,170,581	1,366,719	957,010	809,723	769,490
619,747	758,997	1,240,152	1,194,517	1,652,731	2,062,724
3,063,911	3,325,163	2,709,304	2,679,874	2,677,496	3,750,448
204,231	251,014	455,456	335,182	104,170	(53,482)
94,185	1,542,462	556,586	1,095,664	1,026,011	268,493
324,855	352,973	410,223	1,479,848	687,888	2,620,452
19,899,217	21,502,116	21,936,851	24,559,772	24,878,053	28,625,120
9,234,496	10,620,034	10,441,255	10,668,378	11,369,753	11,818,589
1,353,153	1,428,385	1,447,632	1,457,005	1,707,219	1,854,570
1,086,857	886,891	1,151,389	1,356,060	902,612	2,187,128
874,835	1,040,104	1,129,699	1,205,791	1,056,555	910,582
1,777,956	2,114,840	2,526,410	2,391,519	5,405,038	4,242,803
862,354	893,640	1,014,807	1,108,038	1,023,014	1,251,734
4,958,837	7,965,300	2,649,662	4,394,655	6,686,444	9,596,163
1,542,615	1,375,785	1,769,461	2,044,146	1,840,158	3,367,285
1,109,103	1,064,269	981,456	1,474,914	1,583,270	1,558,389
232,870	10,440	164,276	1,314	360,010	131,743
23,033,076	27,399,688	23,276,047	26,101,820	31,934,073	36,918,986
13,017,245	-	10,754,800	-	14,000,000	4,285,000
(7,542,236)	-	-	-	-	-
-	-	608,543	-	1,048,911	344,235
-	-	800,928	267,714	533,120	536,024
-	-	-	-	-	2,176,669
16,073	182,498	128,663	54,204	206,211	359,575
678,980	(2,373,559)	80,370	5,397,032	1,557,638	612,937
6,170,062	(2,191,061)	12,373,304	5,718,950	17,345,880	8,314,440
$ 3,036,203	$ (8,088,633)	$ 11,034,108	$ 4,176,902	$ 10,289,860	$ 20,574
16.30%	13.22%	13.59%	16.28%	13.60%	18.06%

CITY OF CORINTH, TEXAS **TABLE D-6**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales, Hotel & Vehicle Tax	Franchise Tax	Total
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
2021	14,047,742	2,822,065	1,050,227	17,920,034
2022	14,701,837	3,243,882	1,261,276	19,206,995
Percent Change 2013-2022	72.68%	87.66%	30.32%	71.33%

CITY OF CORINTH, TEXAS **TABLE D-7**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.00%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.00%
2015	1,267,097,852	326,129,542	59,168,386	1,534,059,008	0.59489	1,652,395,780	92.84%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%
2021	2,141,070,040	587,392,141	202,150,348	2,526,311,833	0.57817	2,894,333,831	87.28%
2022	2,403,201,893	801,538,908	276,156,508	2,928,584,293	0.56700	3,476,760,264	84.23%

Source: Denton Central Appraisal District.

CITY OF CORINTH, TEXAS **TABLE D-8**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	City Property Tax Rate			Overlapping Rates		
Fiscal Year	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Denton County
2013	0.46143	0.14346	0.60489	1.53000	1.67000	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	0.22528
2021	0.43923	0.13894	0.57817	2.40760	1.55030	0.22499
2022	0.42700	0.14000	0.56700	1.36200	1.50030	0.233086

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-9**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2022			2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**
Oxford 2181 Inc	39,461,662	1	1.35%			
Millennium Place LP	31,003,859	2	1.06%			
Boulevard 2010 LLC	30,310,024	3	1.03%			
Denton County Electric Coop	27,794,542	4	0.95%	24,183,599	1	1.73%
Oncor Electric Delivery Co	17,600,626	5	0.60%	12,630,937	4	0.90%
Meritage Homes of Texas LLC	16,944,404	6	0.58%			
Tower Ridge Corinth 1, Ltd.	16,900,000	7	0.58%	6,970,711	7	0.50%
Lelege Long lake LP	15,073,653	8	0.51%			
DATCU	13,400,000	9	0.46%			
Kensington Square LP PS	12,612,464	10	0.43%	5,952,235	9	0.43%
S. Corinth Apts LLC, dba The Blvd				14,038,797	2	1.00%
MPT of Corinth, LP				13,500,000	3	0.97%
HD Supply Utilities LTD #3430				9,685,842	5	0.69%
Ambar Acquisitions LLC				8,238,755	6	0.59%
Utter Properties, LLC				6,793,074	8	0.49%
Utter, Bill				5,815,741	10	0.42%
Total	$ 221,101,234		7.55%	$ 107,809,691		7.72%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-10**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	8,453,267	8,425,528	99.67%	25,168	8,450,696	99.97%
2014	8,663,332	8,630,897	99.63%	29,985	8,660,882	99.97%
2015	9,187,621	9,160,871	99.71%	22,960	9,183,831	99.96%
2016	9,594,646	9,568,054	99.72%	21,780	9,589,834	99.95%
2017	10,467,690	10,432,195	99.66%	29,374	10,461,569	99.94%
2018	10,503,022	10,472,993	99.71%	18,297	10,491,290	99.89%
2019	11,487,858	11,458,626	99.75%	17,725	11,476,351	99.90%
2020	12,930,801	12,883,707	99.64%	16,181	12,899,888	99.76%
2021	14,109,671	14,010,541	99.30%	32,685	14,043,226	99.53%
2022	14,638,847	14,568,605	99.52%	-	14,568,605	99.52%

Note:
Current year original tax levy net of supplements and adjustments in current tax year.
Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS **TABLE D-11**

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax	Fire Control, Prevention & Emergency Management Sales Tax
2013	1.00%	0.25%	0.50%	0.25%	-
2014	1.00%	0.25%	0.50%	0.25%	-
2015	1.00%	0.25%	0.50%	0.25%	-
2016	1.00%	0.25%	0.50%	0.25%	-
2017	1.00%	0.25%	0.50%	0.25%	-
2018	1.00%	0.25%	0.50%	0.25%	-
2019	1.00%	0.25%	0.50%	0.25%	-
2020	1.00%	0.25%	0.50%	0.25%	-
2021	1.00%	0.25%	0.50%	0.25%	0.25%
2022	1.00%	-	0.50%	0.25%	0.25%

Note: The City elected for the Street Maintenance Sales Tax to lapse in December 2020.
The City enacted special legislation providing to created a Fire Control, Prevention, and Emergency Management Sales Tax District under Local Government Code Chapter 344. The creation was approved by voters in November 2020. Th effective date of tax begins April 1, 2021.
Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2013	2014	2015	2016
Construction	2,781,669	2,318,987	4,309,632	4,700,702
Manufacturing	442,231	626,667	481,999	753,527
Utilities	92,911,304	109,928,880	110,581,672	104,636,898
Wholesale Trade	3,100,915	3,088,654	7,617,017	7,302,049
Retail Trade	26,504,414	27,888,328	29,287,734	30,504,049
Other Services	6,730,599	7,243,623	7,228,816	7,686,622
Other	24,190,424	24,648,881	25,034,737	25,575,315
Total	156,661,556	175,744,020	184,541,607	181,159,162
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note:
Sales tax for 2021 reports first quarter only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

TABLE D-12

2017	2018	2019	2020	2021	2022
3,994,986	2,328,556	3,216,574	4,266,051	4,849,391	2,462,415
614,605	1,253,393	2,049,745	555,049	500,469	140,980
115,420,823	125,970,925	129,198,459	120,700,668	140,030,608	40,667,314
10,649,928	8,692,469	7,471,542	3,201,080	4,483,597	1,211,479
33,210,828	34,016,051	35,351,416	33,016,709	39,611,848	9,853,230
7,466,146	8,497,374	8,194,907	6,579,265	7,634,313	1,818,313
27,498,369	34,467,334	35,624,160	34,155,321	43,257,603	10,585,442
198,855,685	215,226,102	221,106,803	202,474,143	240,367,829	66,739,173
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF CORINTH, TEXAS **TABLE D-13**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	General Bonded Debt					Other Governmental Activities Debt	
Fiscal Year	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt	Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Capital Leases	Notes Payable
2013	6,887,875	8,682,775	15,570,650	1.11%	756	-	-
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058	-
2015	4,611,500	7,388,904	12,000,404	0.78%	573	683,391	-
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191	-
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	-
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	-
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	-
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345	-
2021	3,829,672	46,900,428	50,730,100	2.01%	2,158	2,145,728	-
2022	3,269,518	45,761,394	49,030,912	1.67%	2,150	2,332,524	2,116,488

	Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Capital Leases	Total Primary Government	Per Capita Primary Government	Percent of Personal Income
2013	1,467,125	10,492,224	11,959,349	-	27,529,999	1,337	3.67%
2014	1,307,000	9,898,002	11,205,002	-	25,723,058	1,235	3.30%
2015	1,063,500	9,341,096	10,404,596	-	23,088,391	1,102	2.87%
2016	816,075	8,752,609	9,568,684	-	34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982	52,405,412	2,365	5.95%
2021	4,340,332	7,693,835	12,034,167	217,538	65,127,533	2,770	6.62%
2022	3,705,486	6,348,606	10,054,092	148,596	63,682,612	2,793	6.67%

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS **TABLE D-14**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Premiums, Discounts	Less: Amounts Available in Debt Service Fund	Total	Percent of Actual Taxable Value of Property	Per Capita
2013	8,355,000	19,174,999	380,177	735,662	27,174,514	1.94%	1,319
2014	7,045,000	17,920,000	348,423	328,036	24,985,387	1.75%	1,200
2015	5,675,000	16,730,000	316,667	224,420	22,497,247	1.36%	1,073
2016	4,275,000	28,854,997	2,177,412	347,254	34,960,155	1.97%	1,659
2017	15,695,000	20,963,571	3,892,908	390,681	40,160,798	2.04%	1,888
2018	13,465,003	18,270,001	3,575,294	299,194	35,011,104	1.63%	1,642
2019	11,250,003	37,375,001	4,290,028	342,713	52,572,319	2.24%	2,409
2020	9,440,002	40,728,083	3,918,081	368,852	53,717,314	2.07%	2,424
2021	8,170,004	54,594,263	4,549,263	546,169	66,767,361	2.31%	2,840
2022	6,975,004	52,110,000	4,458,556	617,849	62,925,711	1.81%	2,760

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Debt Limit	$ 139,721,850	$ 143,078,278	$ 165,239,578	$ 163,852,059	$ 179,938,315
Total Net Debt Applicable to Limit	26,529,182	24,636,963	22,180,581	32,782,746	33,639,319
Legal Debt Margin	$ 113,192,668	$ 118,441,315	$ 143,058,997	$ 131,069,313	$ 146,298,996
Total Net Debt Applicable to the Limit					
As a Percentage of Debt Limit	18.99%	17.22%	13.42%	20.01%	18.69%

Source: City of Corinth Finance department

TABLE D-15

2018	2019	2020	2021	2022
$ 195,265,479	$ 215,928,128	$ 234,613,074	$ 252,631,183	$ 292,858,429
31,435,810	48,282,291	45,881,152	62,177,544	62,270,779
$ 163,829,669	$ 167,645,837	$ 188,731,922	$ 190,453,639	$ 230,587,650
16.10%	22.36%	19.56%	24.61%	21.26%

Assessed Value	$ 2,928,584,293
Debt Limit (10% of Assessed Value)	292,858,429
Debt Applicable to Limit:	
Total Debt Outstanding	62,925,711
Less: Amount Set Aside for Repayment of Debt	654,932
Total Net Debt applicable to Limit	62,270,779
Legal Debt Margin	$ 230,587,650

CITY OF CORINTH, TEXAS **TABLE D-16**

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	$ 559,930,000	1.99%	$ 11,142,607
Denton ISD	1,268,695,283	5.30%	$ 67,240,850
Lake Dallas ISD	141,513,624	46.31%	$ 65,534,959
Subtotal, Overlapping Debt			143,918,416
City Direct Debt (2)			53,479,924
Total Direct and Overlapping Debt			$ 197,398,340
Total Direct and Overlapping Debt % of AV			6.74%
Total Direct and Overlapping Debt per Capita			$ 8,658

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Does not include self-supporting debt.

CITY OF CORINTH, TEXAS **TABLE D-17**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Population [1]	20,597	20,824	20,957	21,078	21,269	21,320	21,819	22,160	23,508	22,800
Median Household Income [2]	104,211	106,877	109,543	112,169	114,412	117,180	120,142	113,483	98,475	102,185
Per Capita Personal Income	36,450	37,411	38,372	39,357	40,144	40,683	41,616	39,723	41,865	46,714
Median Age	36	36	36	36	36	36	37	37.5	37.7	37.6
Education Level [3]										
School Enrollment	3,398	3,490	3,582	3,408	3,514	3,547	3,506	3,541	4,091	3,291
High school graduate or higher	97%	97%	97%	97%	96%	96%	93%	92.9%	93.1%	93.4%
Bachelor's degree or higher	40%	42%	42%	40%	40%	40%	39%	41.7%	41.8%	42.7%
Unemployment [4]	5.30%	4.40%	4.40%	3.80%	3.10%	2.90%	3.00%	6.60%	5.60%	2.80%

[1] The figures for 2019 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2013-2017. The figures for 2018-2022 are estimated based on current enrollment.

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2022			2013		
	Employees	**Rank**	**Percent of Total City Employment**	**Employees**	**Rank**	**Percent of Total City Employment**
CoServ	500	1	5.76%	350	1	8.07%
North Central Texas College [1]	275	2	3.17%	200	2	4.61%
Lake Dallas ISD [1]	255	3	2.94%	80	6	1.84%
City of Corinth	185	4	2.13%	156	3	3.60%
Denton ISD [1]	161	5	1.85%			
Bill Utter Ford	153	6	1.76%	150	4	3.46%
Denton Area Teachers Credit Union	127	7	1.46%			
Albertsons	122	8	1.40%	100	5	2.31%
Metroplex Cabinets	100	9	1.15%	50	10	1.15%
Huffines Kia and Subaru	97	10	1.12%			
HD Supply Utilities 60				100	5	2.31%
Ashton Gardens				60	7	1.38%
McClain's RV Ft. Worth Inc.				60	8	1.38%
Oakmont Country Club				58	9	1.34%
Total	1,975		22.74%	1,364		31.45%

[1] These figures reflect the total number or employees at the school district facilities in Corinth.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS **TABLE D-19**

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	3.00
Legal	-	-	-	-	-	-	-	-	-	-
Police	31.00	32.00	33.00	34.00	35.00	35.00	37.00	39.00	39.00	39.00
Animal Control	1.50	1.50	1.50	1.50	2.00	2.00	-	-	-	-
Lake Cities Fire Department	40.00	41.00	41.00	41.00	44.00	53.00	53.00	53.00	53.00	53.00
Streets	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	-	-	-	-	-	-
Community Development	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Planning	4.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	4.00
Municipal Court	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00
City Marshal	-	-	-	-	-	-	-	-	1.00	1.50
Parks & Recreation	17.50	16.00	16.00	14.00	9.00	11.00	11.00	11.00	9.00	9.00
Finance	6.50	7.50	7.50	7.50	7.50	6.50	6.50	7.00	6.50	7.00
Human Resources	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Technology Services	3.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	9.00
Communications	-	-	-	-	-	-	-	-	2.00	2.00
Water/Wastewater Fund										
Water/Wastewater	21.00	21.00	22.00	22.00	19.00	19.00	19.00	19.00	18.00	21.00
Engineering	-	-	-	-	4.00	4.00	4.00	4.00	4.50	5.50
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Corp.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crime Control District Fund	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Child Safety Program Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75
Hotel Motel Fund	-	-	-	-	-	-	-	0.50	0.50	0.50
Court Security Fund	-	-	0.50	0.50	-	-	-	-	-	-
Total	159.00	162.50	163.00	163.00	162.00	174.00	174.00	178.00	178.00	185.25

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS **TABLE D-20**

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
New Single Family Home Building Permits	18	23	47	53	63	75	39	49	68	64
New Commercial Building Permits	-	4	5	7	13	4	9	2	4	2
Police										
Physical Arrests	316	304	329	426	513	458	290	427	366	467
Parking Violations	3	7	22	-	-	-	-	-	-	3
Traffic Violations	7,021	7,436	7,196	6,013	6,573	7,158	5,848	4,526	4,224	7,442
Fire										
Emergency Responses	2,889	3,164	3,372	3,475	3,237	3,246	3,546	3,467	4,060	4,201
Structure Fires Extinguished	36	21	18	37	26	34	43	46	29	37
Inspections	621	434	204	403	403	490	641	655	355	539
Other Public Works										
Street Resurfacing (miles)	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1
Potholes Repaired	120	77	244	126	96	226	200	96	139	48
Parks and Recreation										
Classes offered (hours)	286	437	310	72	68	60	72	32	72	80
Participants	2,225	3,822	6,609	320	224	208	315	120	80	280
Special events (hours)	2,381	3,432	2,699	3,530	3,378	3,773	3,197	107	24	14
Class Participants	4,714	5,185	2,394	3,375	3,209	3,315	3,040	122	60	44
Association Participants	20,327	18,806	29,792	26,766	21,012	-	-	-	-	-
Athletic League Participants	32,022	22,944	7,936	-	-	-	-	-	-	-
Recreation center Participants	8,088	4,862	2,510	-	-	-	-	-	-	-
Water										
New Connections	19	26	56	44	105	125	65	67	70	83
Water Main Breaks	13	9	8	6	5	7	5	6	10	6
Average Daily Consumption (millions of gallons billed)	3.66	3.16	3.54	2.56	2.51	2.69	2.23	2.61	2.71	2.81
Peak Demand (millions of gallons pumped)	6.08	6.01	6.71	6.84	5.79	7.81	5.99	6.76	8.79	7.07
Wastewater										
New Connections	19	23	51	35	92	116	57	59	65	83
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.08	1.06	1.19	1.40	1.24	1.27	1.35	1.45	1.36	1.36
City of Denton (estimate)	0.25	0.29	0.20	0.25	0.78	0.26	0.25	0.33	0.29	0.30

Note:
In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.

In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation. In 2014-15 the City turned over the baseball program to the Softball Association.

The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS **TABLE D-21**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	16	16	16
Fire Stations	2	2	2	2	2	3	3	3	3	3
Other Public Works										
Streets (miles) [1]	88.99	88.99	88.99	88.99	92.37	92.43	92.66	93.20	93.70	92.90
Highways (miles) [2]	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	14	12
Baseball/Softball Fields	8	9	9	9	9	9	9	9	9	9
Soccer/Football Fields	8	8	8	8	8	8	8	9	8	7
Recreation Centers [4]	2	2	2	1	1	-	-	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,810	6,831	6,977	7,016	7,113	7,203	7,279	7,337	7,404	8,215
Water Mains (miles)	110.63	111.77	112.70	113.48	115.17	117.70	120.20	120.64	120.97	124.54
Fire Hydrants	822	826	836	855	883	896	927	939	961	1,003
Storage Capacity (millions of gallons)	6.00	6.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,536	6,573	6,705	6,736	6,818	6,903	6,979	7,098	7,163	8,143
Sanitary Sewers (miles)	98.33	98.09	98.30	98.99	102.19	102.34	103.17	103.77	105.10	107.46
Storm Sewers (miles)	38.73	38.71	39.80	40.59	41.49	41.66	42.70	43.30	44.65	46.67
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.83	4.83

Note:
[1] The reduction in streets is due to the elimination of unpaved streets from the database.
[2] The increase in highways is due to the addition of the northbound and southbound roadways which is maintained by TXDOT.
[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.
[4] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.

Source: Various City of Corinth departments.

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